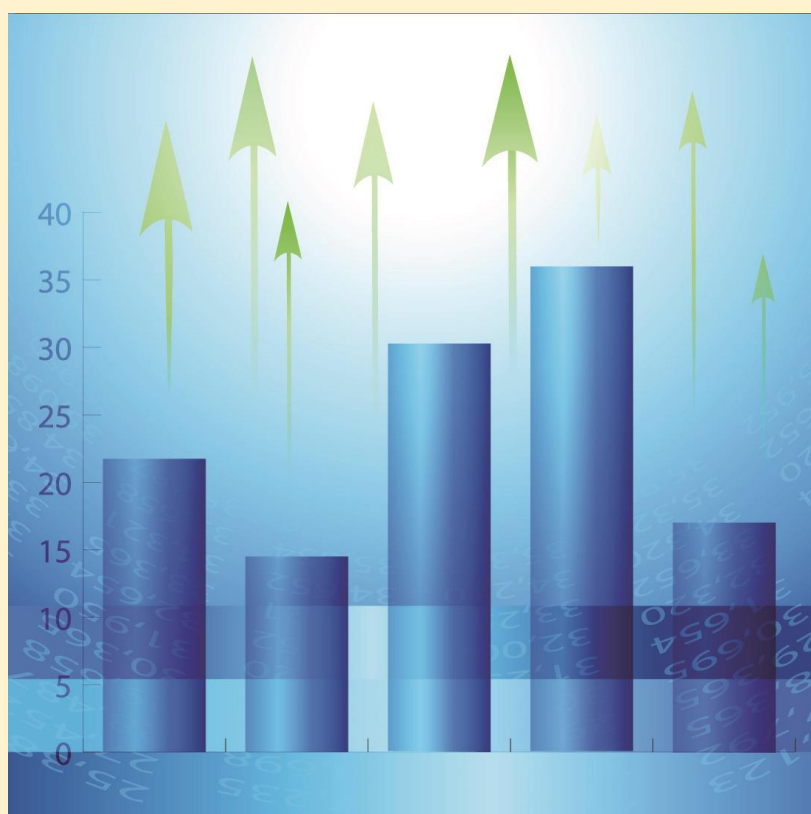


Developments in working life in Europe: EurWORK annual review 2015



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Country codes

28 EU Member States

AT Austria

BE Belgium

BG Bulgaria

CY Cyprus

CZ Czech Republic

DE Germany

DK Denmark

EE Estonia

EL Greece

ES Spain

FI Finland

FR France

HR Croatia

HU Hungary

IE Ireland

IT Italy

LT Lithuania

LU Luxembourg

LV Latvia

MT Malta

NL Netherlands

PL Poland

PT Portugal

RO Romania

SE Sweden

SI Slovenia

SK Slovakia

UK United Kingdom

Other

NO Norway

Introduction

This report – as part of a long-standing series of annual reviews – describes major developments in working life during 2015 (and early 2016, if important developments happened during the process of drafting). It collates information based on reports from **Eurofound’s network of European correspondents**. Over the course of 2015, more than 80 national experts in the fields of industrial relations and working conditions across all EU Member States and Norway reported on a quarterly basis to EurWORK, the European Observatory of Working Life. These reports focused on major developments regarding the regulation of the employment relationship across several key themes. They looked at the actors involved, processes and outcomes. In addition, correspondents also provided **more in-depth national level articles** to EurWORK, which aimed to facilitate a deeper understanding of national developments for a European audience.

During this period, some of the material was analysed and presented in different ways:

- **EurWORK topical updates** focus on specific topics and summarise common developments that are relevant for a number of countries at the same time;
- Findings from major **national working life surveys** have been summarised and provide an interesting complement to the results of Eurofound’s own **European Working Conditions Survey** and **company surveys**;
- Short **EurWORK country updates** are available – a summary of the quarterly reports – highlighting the ‘most important’ national level developments around working life.

All of these articles are available at the EurWORK webpage:

<http://www.eurofound.europa.eu/observatories/eurwork/>

This EurWORK Annual Review intends to ‘guide’ the reader through all the relevant material. It synthesises, reviews and compares developments, highlighting similarities and differences among and across countries. It also seeks to report on debates related to working life, at EU and national levels. There is not always a direct link between the two levels, but some spill-overs – both top-down and bottom-up – do occur.

The synthesis has been a joint exercise: Correspondents from Estonia, Lithuania, Poland, Romania and Spain have co-authored some of the chapters, while Eurofound staff have compiled others. The authors are also thankful to more than 80 contributors, as well as other peer reviewers, who reviewed, validated and enhanced the report.

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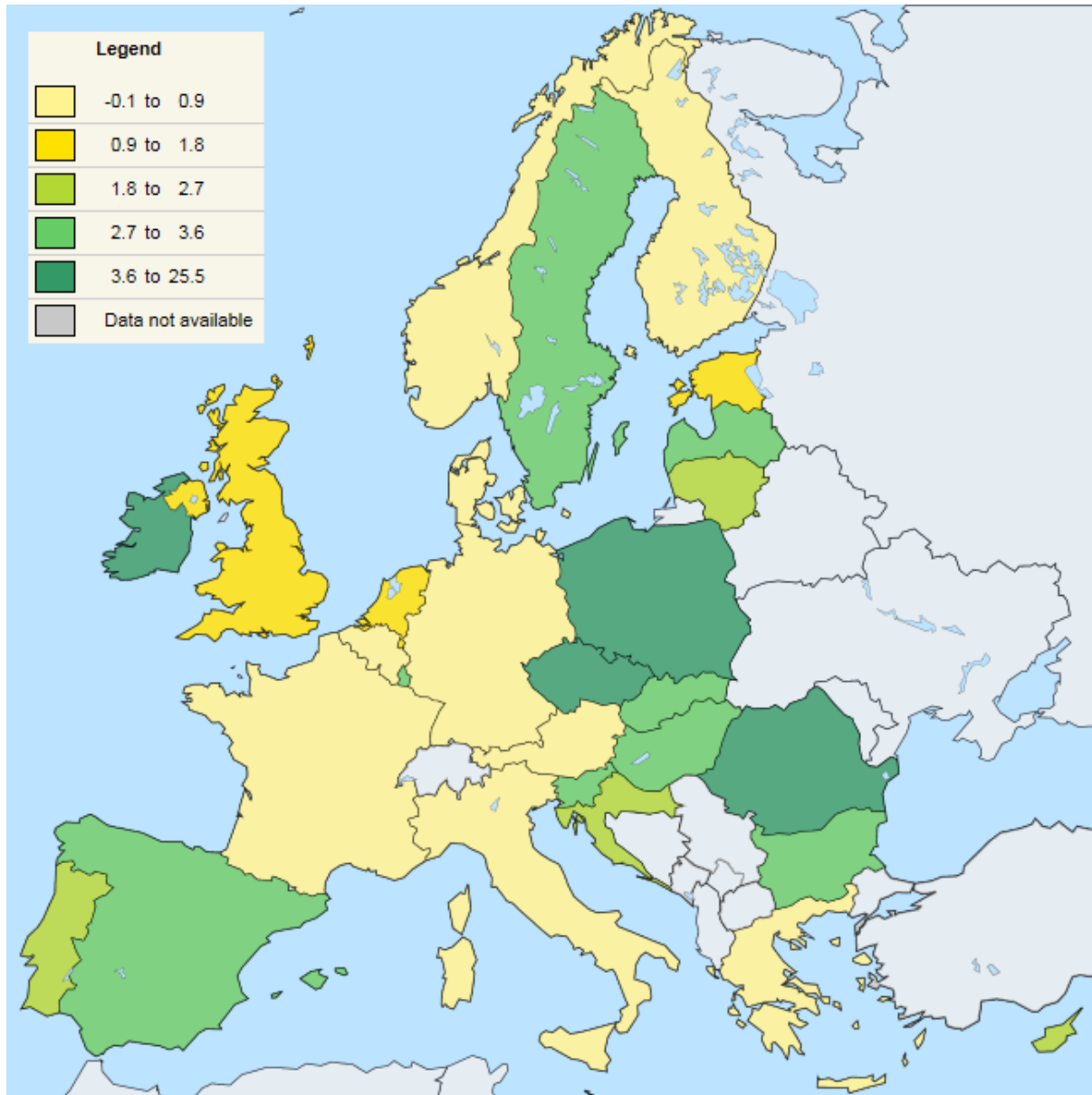
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1. Economic and labour market context

In 2015, the modest economic recovery observed in the EU in 2014 continued. The real gross domestic product (GDP) per capita grew on average 1.7% for the EU28 as a whole (see Figure 1). For the first time, the average GDP per capita of the EU exceeded its pre-crisis value (€26,300 in 2015 versus €26,200 in 2007 and 2008). The fastest growing countries were Ireland (7.2%) and Malta (5.4%). On the other side of the spectrum were Austria (0%), Greece (0.1%) and Finland (0.2%).

Figure 1: Real GDP per capita growth rate in 2015 (% change on previous year)

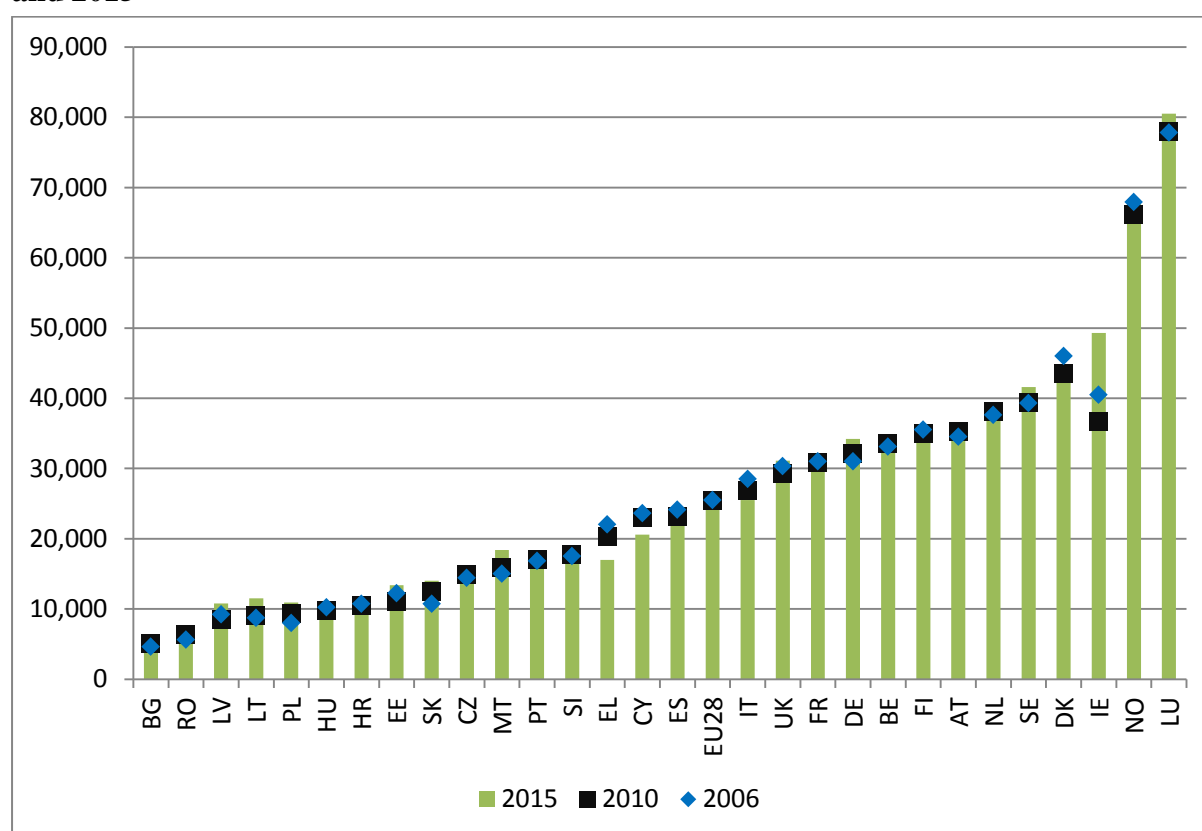


Source: Eurostat, variable tsdec100, map created by Eurostat website on 23 August 2016 and modified.

From the medium-term perspective, the majority (21) of EU countries saw at least some growth of real GDP per capita between 2010 and 2015. During this period, the economies of Lithuania (28%), Latvia (27%) and Estonia (22%) grew the most. However, seven EU countries had a lower real GDP in 2015 than in 2010. The biggest drops were observed in Greece (16%) and in Cyprus (10%).

During 2010–2015, most of the new Member States experienced a higher economic growth than the old Member States. This indicates that the process of convergence for new Member States continued over the period observed, though at varying paces. The only exceptions to this trend were Croatia, Cyprus and Slovenia, whose economies grew more slowly than the average EU28 rate. Despite such developments, large differences remain in the individual levels of real GDP per capita across Member States (see Figure 2). The level in Luxembourg – the highest in the EU, at €80,500 – is 14 times higher than the level of Bulgaria, which, at €5,700, is the lowest in the EU. The EU28 average level is €26,300.

Figure 2: Real GDP per capita in euro (chain linked volumes per 2010) 2006, 2010 and 2015

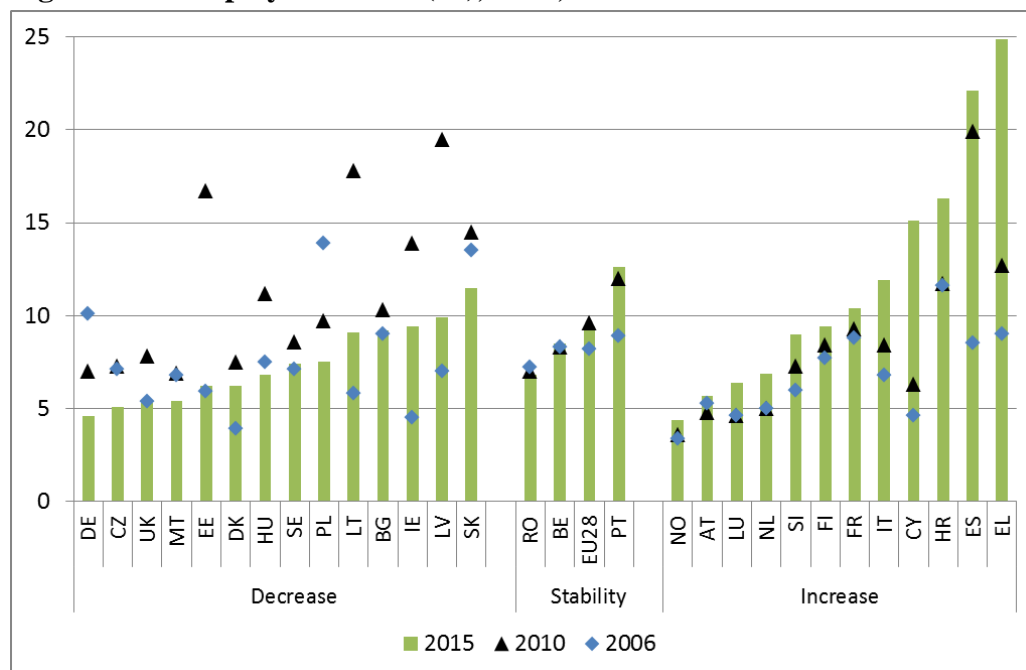


Note: Data for Bulgaria, Cyprus, Greece, Netherlands, Romania and Spain are preliminary.

Source: Eurostat (tsdec100), own calculations.

In 2015, the EU had an average unemployment rate of 9.4% (see Figure 3, page 5). Greece and Spain had the highest unemployment rates, exceeding 20%. The Czech Republic and Germany had the lowest unemployment rates, of about or just below 5%. The unemployment rates decreased in 15 countries in 2010–2015, to the greatest degree in Estonia (by 11 percentage points) and Latvia (by 10 percentage points). Thirteen countries experienced an increase in their unemployment rate; the highest increases were recorded in Greece (by 12 percentage points) and Cyprus (by 9 percentage points).

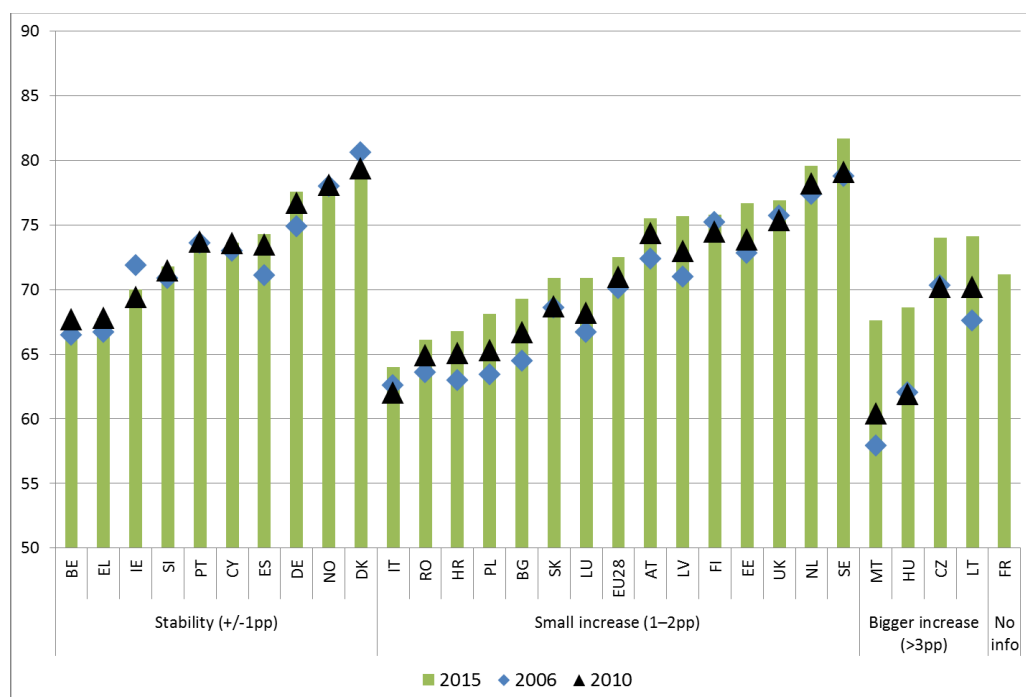
Figure 3: Unemployment rate (%), 2006, 2010 and 2015



Source: Eurostat (variable *une_rt_a*), unadjusted data.

Only three countries (Belgium, Denmark and Portugal) experienced a decrease in employment rate between 2010 and 2015, and these decreases were relatively modest – smaller than one percentage point (see Figure 4). In the same period, Hungary and Malta saw in the highest increases in employment rate in the EU (around 7 percentage points for both). Despite this, by 2015 the employment rate of both countries was considerably lower than the EU average of 73%. In the same year, Italy had the lowest employment rate (64%) while Sweden had the highest rate (82%).

Figure 4: Employment rate as % of total population aged 15–64 years, 2006, 2010 and 2015



Source: Eurostat (variable *lfsi_emp_a*).

Part-time employment grew consistently over the last decade (2006–2015). In 2006, the share of part-time workers in the EU28 was 17.4%, while by 2015 it was 20.6%. On the surface, this may not appear particularly significant, but a closer look at Eurostat’s labour force survey reveals that different groups were affected in different ways. Following the economic crisis that began in 2008, the full-time employment rate did not return to 2006 levels until 2015. By contrast, during the same period, the rate of part-time employment grew – in 2015 it was 14% above the 2006 level.

Low-qualified workers were most affected by a decrease in both full-time and part-time employment. The decline in part-time employment rates among low-qualified workers was lower than the decline in full-time employment rates, so part-time work compensated for some of the job losses.

The increase in part-time employment rates was stronger among highly qualified workers, with a growth of more than 45% (see Table 1). This group also saw significant growth in full-time employment rates (30%). The increase in part-time employment affected men more than women (with growth rates of 26% and 10% respectively).

Table 1: Full-time and part-time employment, by gender and qualification, 2006–2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Employment, total	100	102	103	101	100	100	99	99	100	101
Full-time	100	102	103	101	99	98	97	97	98	99
Part-time	100	102	103	105	106	107	109	111	113	114
Part-time, low qualified	100	100	99	96	95	93	92	90	89	89
Full-time, low qualified	100	99	97	90	85	81	77	72	70	69
Part-time, high qualified	100	103	107	113	118	124	131	139	141	146
Full-time, high qualified	100	104	108	110	112	115	119	121	125	130
Part-time, Men	100	101	104	107	111	113	117	121	124	126
Part-time, Women	100	102	103	104	105	106	107	109	110	110

Notes: Index: 2006 = 100; Low-qualified: ISCED 2011 0–2; High-qualified: ISCED 2011 5–8.

Source: Own calculations, based on Eurostat Labour Force Survey (lfsa_epgaed); extracted 20 May 2016.

2. EU developments around working life

Following the parliamentary elections in 2014, 2015 was the first full year of work for the new European Parliament and the new ‘Juncker Commission’ (Jean Claude Juncker was elected the new President of the European Commission, 2014–2019). It was a year in which EU-level initiatives started to bear the signature of Juncker’s ‘last chance’ Commission, both in terms of new initiatives launched, and in an adaptation of ongoing processes and strategies within **Europe 2020**. Ongoing measures include the implementation of the **investment package**, the **Youth Guarantee** and the frontloading of the Youth Employment Initiative to tackle youth unemployment. On 17 September 2015, the European Commission also proposed specific actions for long-term unemployed people to re-enter the labour market, which were adopted by the Council on 15 February 2016. The building blocks for the Single Digital Market have been put together, stakeholder consultations are taking place, and a lively debate is ongoing about the impact of digitalisation on working life.

The year 2015 was overshadowed by two events which triggered the immediate attention of EU level policy makers: the latest chapter of the Greek crisis over the summer months, which resulted finally in a new bail-out agreement of €86 billion; and the refugee crisis, with more and more asylum seekers arriving at EU borders throughout the summer and autumn, leading to urgent policy responses in the form of two implementation packages under the **European Agenda on Migration**.

The refugee crisis: First reactions and national approaches to labour market integration

In 2015, a large number of people sought asylum in the EU in order to escape atrocities taking place in their countries of origin. Some EU countries were affected more than others, leading to EU-level debates on the distribution and re-distribution of asylum seekers and refugees, and the partial suspension of the Dublin III regulation. During that same year, **debates about the next steps, such as labour market access and integration**, were already on the agenda among social partners and governments in many Member States. Such developments became more advanced in Member States receiving higher numbers of asylum seekers.

A general absence of concrete debates about labour market integration in some Member States appeared to be linked to a political reluctance to accept larger numbers of asylum seekers. In general, social partners had, for the most part, expressed their support for the access and/or integration of asylum seekers into the labour market. Governments and social partners put forward several proposals to promote the integration of asylum seekers. In some Member States, governments and employer organisations supported initiatives that also aimed to address skill shortages in the context of demographic change. This was particularly so among employer organisations that, in some countries, targeted their affiliates with concrete information and support measures. Among unions, the main focus of concern has been the trade-off between lower wages, which could help to ease labour market entry, and the pressure this might exert on lower-paid segments of the workforce. The unions have consistently argued for the need to ensure decent working conditions for all and to avoid creating poverty traps for refugees or lower-paid workers.

Generally speaking, many initiatives were in the early stages of implementation throughout 2015 and many debates are still ongoing.

Working life – as discussed and regulated at EU level – featured in several interlinked debates, strategies and processes. This section briefly considers three themes:

- the ‘social dimension’ of the EU/the euro zone and within the EU semester;
- the relaunch of social dialogue;
- working life regulation with REFIT and the ‘Better regulation’ package.

Strengthening the social dimension of Europe

The (not-so-new) idea (see [European Parliament press release from November 2012](#) and [COM/2013/0690](#)) to strengthen the ‘social dimension of the EU, the euro zone and the European Semester’, gained some further political and institutional backing during 2015: the [Five President’s Report \(PDF\)](#), prepared by the presidents of the European Commission, the Euro Summit, the Eurogroup, the European Parliament and the European Central Bank (ECB), sets out plans on how to strengthen the Economic and Monetary Union (EMU) as of 1 July 2015, and how to complete this process by 2025 at the latest (European Commission, 2015a). The report puts forward concrete measures to be implemented across three stages of the process. It envisages, among other things, the need to ‘strive for a social triple A’. It foresees stronger coordination of economic policies, within a simplified European Semester, but with a stronger social dimension.

Acknowledging that no ‘one-size fits it all’, the Five President’s Report also points to the need for efficient labour markets that promote a high level of employment and are able to absorb shocks without generating excessive unemployment:

Getting more people of all ages into work; striking the right balance between flexible and secure labour contracts; avoiding the divide between ‘insiders’ with high protection and wages and ‘outsiders’; shifting taxes away from labour; delivering tailored support for the unemployed to re-enter the labour market, improving education and lifelong learning.

(European Commission, 2015a, p. 9)

The concrete actions of the first stage of the process (called ‘deepening by doing’), which the European Commission included in their 2016 EU semester package (COM (2015) 600 final), were:

- inclusion of three new employment-related indicators (youth employment, long-term unemployed and activity rates) into the macro-economic imbalance procedure scoreboard;
- achieving upward convergence towards best practices in the employment and social policy field through the development of common benchmarks along the components of the ‘flexicurity’ model – or a revamped version thereof (see [European Commission, 2015b \(PDF\)](#));
- greater inclusion of social partners into the European Semester;
- better integration of the euro area and national dimensions.

The European Commission now closely monitors and analyses the aggregate fiscal, economic and social situation of the euro area as a whole, and considers this analysis in the formulation of national policies.

The second stage of the process, ‘completing EMU’, involves the agreement of ‘concrete measures of a more far-reaching nature ... to complete EMU’s economic and institutional architecture’ (Five President’s Report, p. 5). Focus is placed on common standards for labour markets, competitiveness, business environment and public administrations, as well as certain aspects of tax policy (such as corporate tax base). Significant progress towards these standards would be among the conditions for euro area Member States to participate in a shock absorption mechanism for the euro area during this second stage (see box below – ‘Towards a joint unemployment scheme?’).

Towards a European unemployment insurance scheme?

The idea of a joint unemployment scheme has been around for a while, but it gained further momentum during 2015 (see European Parliament, 2014; [European Commission 2012 press release](#), COM/2013/0690). On 6 October 2015, the Italian Ministry of Economy and Finance [released a paper](#) at an Economic and Financial Affairs Council (ECOFIN) meeting, proposing the set-up of a European unemployment insurance scheme.

While no real progress has been made in policy since this proposal was first tabled, the rationale for its implementation has been strengthened by the Five Presidents' Report, stage 2 of which foresees, on completion of the EMU, a shock absorption mechanism to be set up for the euro area as a whole in 2017. In early 2016, the issue was further discussed in the Employment Committee of the European Parliament. The European Commission has also published a report on the rationale and challenges of such a scheme, as a first delivery of a bigger feasibility study (Beblavý et al, 2015).

In the final stage (to be completed by 2025), once all the steps are fully in place, a 'deep and genuine EMU' would provide a stable and prosperous place for all citizens of the EU Member States that share the single currency, making it attractive for other EU Member States to join if they are ready to do so.

To prepare for the transition from stage 1 to stage 2, the Commission will present the results of a consultation process with the social pillar in early spring 2017. The outcomes of this will be taken into account in the drafting of a white paper on the completion of the EMU in spring 2017, which will outline the next steps needed, including legal measures to complete EMU in stage 2.

Looking back at the past European Semester exercises, a recent evaluation comes to the conclusion that

The future of the European Semester, including its social dimension, remains open. But for now, it seems fair to conclude that the European Semester has never been more social, both in terms of its substantive policy orientations and of its governance procedures. At the same time, however, there is still considerable room for further improvement.

(Vanhercke et al, 2015, p. 5)

Involvement of social partners in the European Semester

A recent Eurofound report (2016a) looked into the involvement of social partners in important junctures of the EU Semester (see Table 2). It found that, despite consensus among EU institutions and social partners that recent progress has been made, improvements could be made, both at EU and national level.

The degree of involvement and perceived impact of social partners, at national level, varies across Member States; for many countries, there is considerable room for improvement. According to Eurofound's correspondents, over the period 2011–2014 the social partners were consulted regularly, with enough time for information and consultation, in 10 Member States. In a further seven Member States, consultation was deemed regular, predictable and balanced (employers and union organisations were consulted on an equal footing), but it was reported that there was not enough time allocated. In a further five Member States, consultation was found to be often irregular, unbalanced and with insufficient time allocated. Regarding the involvement of national level social partners in national reform programmes, the study concluded that the degree of institutionalisation of the involvement (in terms of regularity, time allotted and balance) was a necessary though insufficient condition for social partners to influence the content of the national reform programmes.

Table 2: National social partners' involvement in the national reform programmes (NRP) of the EU Semester

Impact	Degree of institutionalisation of involvement		
	High	Medium	Low
No information	SK*		
High	BE, MT, NL, SE	FI	
Limited or very limited	AT, EE, LT, PL	CZ, FR, LV, SI EO only: DE	IT, LU EO only: ES, CY
Not at all	DK	UK TU only: DE	BG TU only: ES, CY

*Notes: TU: Trade unions, EO: Employers organisations. No involvement at all: HR, HU, RO. Member States under financial assistance programmes exempted from EU semester during most of the timeframe 2011–2014: IE, GR, PT. *SK: high degree of institutionalisation, but no information regarding the impact was obtained.*

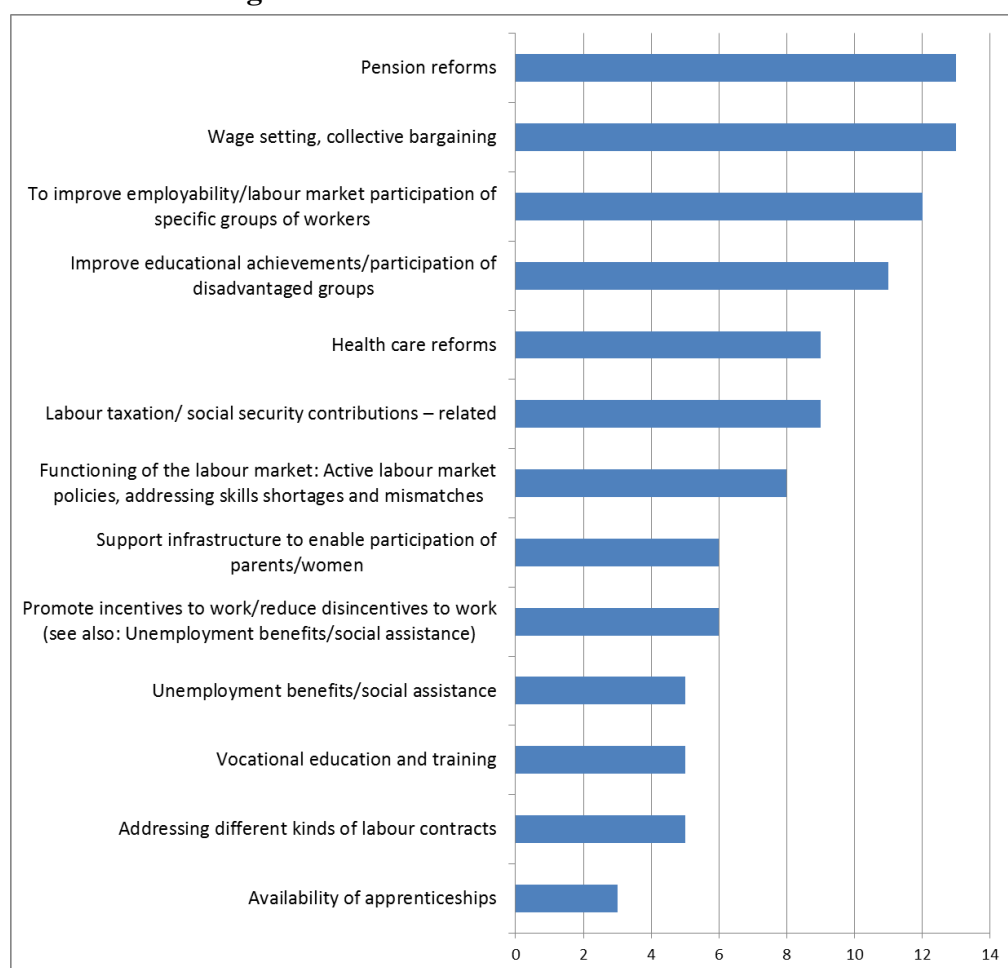
Source: Eurofound (2016a).

Working life related country specific recommendations 2015

On 13 May 2015, the European Commission presented the [Country-specific recommendations \(PDF\)](#) (CSRs) for 2015 asking for national actions to create jobs and stimulate growth. The EC makes recommendations for the 26 MS and for the euro area as a whole. The recommendations are based on detailed analyses of each country's situation.

Figure 5 and Table A2 in the annex summarise in more detail those recommendations that were related to working life. Most recommendations were issued in the area of pension reforms (14 countries), wage setting and collective bargaining (14 countries) and with a view to improve the employability or labour market participation of specific groups of workers (12 countries). While the work–life related recommendations are often overlapping, they can be put into three main groups, namely: recommendations affecting the cost of labour, recommendations affecting labour supply and recommendations affecting the functioning of the labour market, which are summarised on pages 11 and 12.

Figure 5: Number of countries that were given recommendations in specific areas related to working life



Note: This figure is based on Table A2 in annex. Within categories countries were only counted once.

Source: European Commission, Country specific recommendations, own elaboration.

Recommendations affecting the cost of labour

Recommendations that addressed the setting of wages included most often the postulate to align the growth of wages with productivity growth (in seven countries), but they also referred to establishing transparent mechanism for setting of minimum wages (three countries), or for narrowing the gender pay gap (Estonia). They could also potentially affect the level of minimum wages (France and Portugal), as these countries had been recommended to ensure they are consistent with the objectives of promoting employment and competitiveness; Latvia, finally was recommended to improve the public service legislation to (...) link remuneration to responsibilities;

France and Italy also received recommendations affecting the collective bargaining framework: France was recommended to facilitate take up of derogations at company and branch level from general legal provisions, in particular as regards working time arrangements; while Italy was encouraged to develop the second level bargaining.

Beside wages, labour taxation and social security contributions can affect the costs of labour; 11 countries were issued recommendations to focus on aspects of these: 5 countries were recommended to reduce the tax wedge or the high level of taxation especially for low-income earners; 3 others were recommended to ensure that the shift of tax burden on labour to other fields of taxation was sustained.

Recommendations affecting labour supply

Improving the employability and/or labour market participation of specific groups of workers was another widely issued recommendation. This included, most frequently, a specific focus on young workers (seven countries), followed by older workers and long-term unemployed (four countries in each case). Closely connected to this were the recommendations in the area of education and training: Improving the educational achievements or the participation of disadvantaged groups was recommended to eleven countries: with a particular focus on Roma in five countries, to reduce early school leaving, to improve basic skills in general, or to focus on the young disadvantaged and those with basic skills (two countries in each case). Three more countries (Czech Republic, Italy and Latvia) were recommended to implement more general school or education reforms. The expansion or uptake of vocational educational training was the focus of recommendations made to another five countries, and three countries were recommended to ensure the availability of apprenticeships.

Recommendations to promote incentives to work or reduce disincentives to work were also issued to six countries, whereby most of them were closely connected to social protection; Ireland, for instance, was recommended to increase the work-intensity of households and to address the poverty risk of children by tapering the withdrawal of benefits and supplementary payments upon return to employment. Unemployment benefits as such were the focus of recommendations to three countries, whereby France was recommended to reform its unemployment benefit system and Spain was asked to streamline minimum income and family support schemes, and foster regional mobility.

Slovakia was asked to improve the incentives for women to remain in or return to employment by improving the provision of childcare facilities, and five other countries were also recommended to increase affordable or ensure high quality childcare.

Within the recommendations regarding the pension systems, the focus lay on extending the working life, discouraging early retirement (seven countries) and to ensure the sustainability of the systems (three countries).

Recommendations affecting the functioning of the labour market

Some recommendations were also directed at improving the functioning of the labour market. This included recommendations to step up action in the area of active labour market policies: Hungary, for instance, was asked to revert resources from public work scheme to active labour market measures; Slovakia was recommended to take additional measures to address long term unemployment by introducing activation measures, second chance education and high-quality training tailored to individuals' needs; Portugal and Romania were issued recommendations directly affecting the public employment services.

Five countries were provided with recommendations affecting different contractual types in place, while Poland was asked to take measures to reduce the excessive use of temporary and civil law contracts in the labour market. Germany was recommended to revise fiscal treatment of mini-jobs so as to facilitate transition to other forms of employment, and France was asked to provide more incentives for employers to hire on open-ended contracts and to remove the restrictions on access to and the exercise of regulated professions. Romania and Bulgaria were recommended to tackle undeclared work.

Relaunch of social dialogue

In 1985, at [the 'Val Duchesse' meeting](#), social dialogue at EU level became more autonomous and bipartite in the preparatory phase of the single market. Thirty years later, in 2015, the Commission committed itself to a relaunch of social dialogue at EU level, kick-starting this process with a high-level conference in March. [Some identified actions of the European Commission in this process include:](#)

- strengthening consultation with social partners within the EU semester;
- going beyond the 'typical' fields of labour-market related consultation, also consulting social partners, for instance, on the Transatlantic Trade and Investment Partnership (TTIP) and the single digital market agenda;

- the establishment of two ‘thematic working groups’ in which social partners and Member States assessed the involvement of social partners in the EU Semester and in the implementation of national reform, and looked into the involvement of social partners in social dialogue, policy and law making in the social and employment area.

As capacity building was identified as a major concern for national social partners, the European Commission also organised a workshop on 5 October 2015, called ‘Capacity building for social partners – enhancing the contribution of workers and employers organisations to modernising Europe’ to promote an exchange of practice.

Social partners also intend to conduct a mid-term assessment of the relaunch. In 2015, they **prepared a joint statement**, which they approved in January 2016. This **declaration (PDF)** emphasises that there is no blueprint for social dialogue, but provides some guiding principles and key messages on:

- how to improve social partner involvement in EU-level policy-making;
- clarifying the relationship between social partner agreements and the better regulation agenda;
- improving the functioning and effectiveness of social dialogue and the capacity-building of social partners in the Member States;
- involvement in the European economic governance and European Semester;
- assessing, designing, agreeing and implementing relevant reforms and policies.

The declaration also sets out a list of actions for the various actors involved.

The relaunch initiative was unanimously welcomed by all social partners (‘Ready and willing’ – **ETUC**; ‘More than welcome’ – **UNI Europa**; ‘Full support for Commission’ – **Business Europe**; ‘welcomed the European Commission initiative’ – **UEAPME**). At the end of 2015, social partners acknowledged that some progress had been made in improving their involvement in economic governance. However, both sides also agreed that there is room for further improvement, in particular at national level, and have made concrete proposals within the thematic working groups.

More information on the involvement of social partners in the European Semester and the results of a recent Eurofound study (2016a) on the subject can be found in chapter 4, ‘Collective employment relations’.

REFIT and the ‘Better regulation package’

Since 2012, the European Commission has made a concerted effort to streamline legislation and reduce regulatory burdens within the Regulatory Fitness and Performance Programme (REFIT) (European Commission, 2015d), as shown in Figure 6 (see page 14). In addition, in the area of working life, several proposals are ongoing, for instance the proposal to consolidate legislation on information and consultations; and the proposal to clarify and simplify legislation in the working time and the health and safety area (and related legislation). The Commission’s withdrawal of the Maternity Leave Directive was also made during 2015 in the context of REFIT. **Social partners’ opinions on the ‘Better regulation’ package were divided**: While the package has been unreservedly welcomed by the business community, trade unions were fearful that it will harm social rights.

Impact assessment for social partner initiatives (“tool #7”)

The Better Regulation Toolbox provides operational and detailed guidance to the EU-level policymakers involved in ‘better regulation’ instruments. Out of 59 tools, ‘tool #7’ refers specifically to social partner agreements for which the signatories request the European Commission to present a proposal for implementation by a Council decision in accordance with Article 155 of the Treaty on the Functioning of the European Union (TFEU).

Whenever the impacts of the agreement are likely to be significant, before taking its decision, the European Commission will carry out a proportionate impact assessment, which will focus in particular on the **representativeness of the signatories**, the legality of the agreement vis-à-vis the EU legal framework, and the respect of the subsidiary and proportionality principles.

As the Treaty-based process of consultation can be deemed transparent, it does not fall under the minimum standards of consultation and no additional public consultation will be necessary. A good overview of the policymaking process can be found on the European Commission’s website at http://ec.europa.eu/smart-regulation/guidelines/images/tb7_en.jpg

In the area of employment and social affairs, a number of pieces of legislation are being reviewed within the context and within different stages of the REFIT process. This Annual Review will look into some of these areas in more detail in the relevant thematic sections.

Figure 6: REFIT within the EurWORK themes

<p>Actors and institutions</p> <p>Evaluation of the European Works Council Recast Directive (2009/38/EC) launched in 2015</p>	<p>Collective employment relations</p> <p>Proposal to consolidate legislation in the area of information and consultation:</p> <ul style="list-style-type: none"> • Collective redundancies (98/59/EC) • Transfers of undertakings (2001/23/EC) • A general framework for information and consultation of workers (2002/14/EC) 	<p>Individual employment relations</p> <p>Evaluation of directive on:</p> <ul style="list-style-type: none"> • Informing employees about their working conditions (91/533/EEC) • Part-time (97/81/EC), fixed-term (99/70/EC) and temporary agency work (2008/104/EC) • Posting of workers (96/71/EC) targeted review as part of labour mobility package
<p>Working time</p> <p>Clarify and simplify legislation on working time (2003/88/CE):</p> <ul style="list-style-type: none"> • Organisation of working time including reconciliation of work–life balance 		<p>Health and well-being</p> <ul style="list-style-type: none"> • Organisation of working time • Improvements in the safety and health of workers at work and 23 related directives • Withdrawal: Proposal of revised directive COM (2008) 637 on pregnant workers

Source: Own depiction based on [REFIT scoreboard \(PDF\)](#).

3. Actors and institutions

Trade unions, employer organisations and public institutions play a key role in the governance of the employment relationship, working conditions and industrial relations structures. They are interlocking parts in a multilevel system of governance that includes the European, national, sectoral, regional (provincial or local) and company levels.

Developments at EU level

The year 2015 brought no major changes regarding actors and institutions at EU level, but developments did take place in relation to European works councils (EWCs). EWCs are bodies that represent the European employees of a company and are used by management to inform and consult workers on the progress of the business, and on any significant decision at European level that could affect their employment or working conditions. In 2009, a ‘recast’ of the relevant directive was introduced. The European Commission is now in the process of carrying out an evaluation (begun in 2015) of the 2009 European Works Council Recast Directive (Directive (EC) No 38/2009). In January 2016, the Commission presented [a roadmap \(PDF\)](#) for this evaluation. The purpose is to evaluate the impact(s) of the implementation of the 2009/38/EC Directive, ‘more specifically those deriving from the changes made to Directive 94/45/EC ... [and] will conclude on the Directive’s new rules’ effectiveness, efficiency, coherence, relevance and EU added value’ (p. 2). Results of the evaluation are expected in the second half of 2016.

National developments

Developments in tripartite institutions

Tripartite institutions, mainly sponsored by government, are a very common feature across Europe. They are most commonly found in the former Socialist Member States; by contrast, such national institutions for social dialogue are more often (though not exclusively) of a bipartite nature in the EU15. During the economic crisis, such tripartite institutions were often under strain (see Eurofound, 2013a; Marginson, 2015; Marginson and Welz, 2015). In Poland, for instance, national social dialogue was in stalemate between 2013 and 2015, when all three national representative trade unions walked out of the tripartite council.

During 2015, several Member States reported that changes had occurred, or at least debates had taken place, regarding their tripartite social dialogue settings.

The biggest reform occurred in **Poland**, following the adoption of the ‘Act of 24 July on the Council of Social Dialogue and other social dialogue bodies’ in late June (signed into law in early August). With this new Act, the Council of Social Dialogue (*Rada Dialogu Społecznego, RDS*) replaced the Tripartite Commission for Social and Economic Affairs (*Trójstronna Komisja do spraw Społeczno-Gospodarczych, TK*) and the regional councils of social dialogue (*wojewódzkie rady dialogu społecznego*) replaced the regional social dialogue commissions (*wojewódzkie komisje dialogu społecznego*) at the level of voivodeship (*województwo*, main administrative region). With the **establishment of new tripartite institutions**, social partners **now hope that the national social dialogue will recommence**.

In **Romania**, the National Tripartite Council for Social Dialogue (*Consiliul Național Tripartit pentru Dialog Social, NTCS*) adopted internal statutes. Although it was created in 2011, the NTCS was not a functioning body due to the lack of an internal status, and establishing working and decision making procedures. The adoption of internal status shall unblock the NTCS’s activity. Cooperation between social partners was also reinforced in **Latvia** when, in August 2015, a new National Tripartite Cooperation Council (*Nacionālās trīspusējās sadarbības padome, NTSP*) sub-council on budgetary and tax issues was established. The sub-council is entitled to provide for social partner cooperation in matters of fiscal policy, state budget and tax. In **Lithuania**, the reorganisation of the Tripartite Council took place on 6 October 2015 at the sitting of the Tripartite Council of the Republic of Lithuania (LRTT), at which social partners discussed reorganisation of the Secretariat of the LRTT.

The social partners emphasised that the reorganisation was unilaterally implemented by the representatives of the government, without consulting the social partners. However, the SADM maintained that it is more important for the government to save funds and improve management efficiency.

Mergers and demergers of social partner organisations

The landscape of social partner organisations is continuously in flux. The year 2015 saw a continuing trend of mergers of trade unions, all at various stages of implementation; seven such cases were reported, while for employer organisations only one (sector-related case) was reported. At the same time, three cases of demergers were noted on the trade union side (see Table 3).

The ‘bigger’ cases – concerning peak-level organisations – were discussed in Denmark and Finland. In **Denmark**, the two largest union confederations, the Danish Confederation of Trade Unions (LO) and Confederation of Professionals in Denmark (FTF) have **obtained a mandate** in their autumn congresses for finding a basis for closer cooperation between their organisations. There are three ways of doing this, but a steering committee has recommended a direct merger. It now has until the end of 2017 to work out a comprehensive foundation for this.

In the **Finnish** case, the current peak-level organisations, SAK and STTK, have backed plans to look into the possibility of creating a new joint peak-level employee organisation – in practice, a merger of the current ones. The white-collar organisation Akava said it did not support the move, as it believes there is a need for a group dedicated to highly educated white-collar employees. As of July 2015, the process of creating the new peak-level trade union was evolving, with a total of 49 unions having decided to join the project. As part of the process **a website has been launched** to provide information on developments as they take place. The difficult negotiations on reaching a competitiveness pact among the peak-level social partners have, however, undermined the project of the new peak-level trade union. Some unions have withdrawn from the project and the outcome remains unclear. However, the unions still committed to the project will continue to discuss the way forward during 2016 to decide the way forward. According to initial plans, the organisation was expected to be up and running by 2017.

In **Hungary**, the merger process of several trade unions into the peak-level organisation MaSZSZ was completed in 2015. However, the first demerger of SZEK from MaSZSZ has been reported. The main reason given for this was that the merger was not justified in the context of the legal environment and differences between the situation for public services and other employment sectors.

Table 3: Mergers and demergers of social partners at various stages

	Organisations	Sector	Status at the end of 2015
Discussed/proposed mergers			
SI	ZSSS, SKEI, SVIZ	Public/private sector	Trade union confederations in May 2015 participated in a roundtable discussion on the association of trade union confederations; Public sector trade unions (SVIZ) are more open to associating with other trade unions than private sector trade unions (ZSSS), who see more benefits in international connections.
DK	FTF and LO	Peak-level	Intensified talks about a possible merger in the years to come. The decision is not yet made, but could be implemented by 2017.
FI	SAK and STTK	Peak-level	Initially expected to be up and running by 2017.

Completed mergers			
IT	DirCredito and FIBA Cisl to merge into 'FIRST Cisl'	Banking, credit and financial sector	Completed 29 April 2015
HU	MaSZSZ	Peak-level	Completed 27 February 2015
HR	SING and EKN	Oil/gas/energy	Completed 26 November 2015
SK	OZ SP and OZ Kovo	Glass, metal	Completed 13 October 2015
Demergers			
EE	EÖL from EAKL	Healthcare (nursing)	Proposed demerger
HU	SZEF and MaSZSZ	Public sector/peak-level	Completed 15 September 2015
PT	SNPVAC from UGT	Aviation/crew workers of company TAP	Independence of SNPVAC confirmed by referendum in March 2015
Employer organisations: Completed mergers			
NO	NHO Mat og Landbruk and NHO Mat og Drikke were merged to NHO Mat og Drikke.	Food and drink	Completed in March 2015

Note: Please find the full list of acronyms used in the annex.

Source: Eurofound network of correspondents, EurWORK quarterly reports.

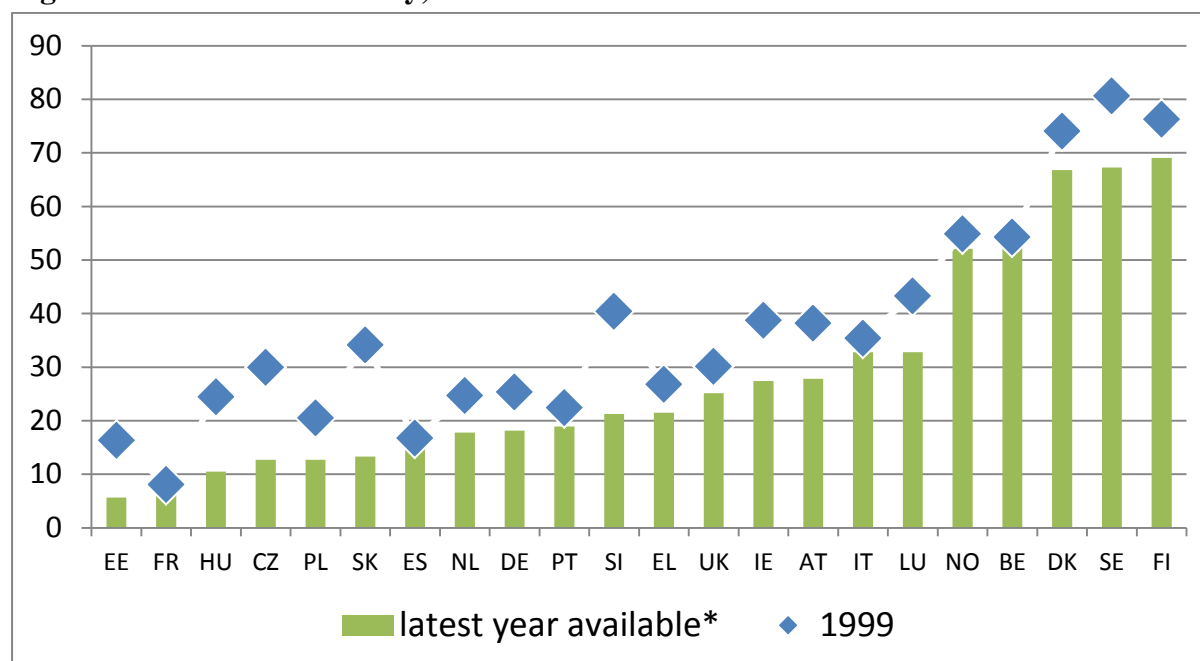
Membership developments

Membership figures of social partner organisations are hard to obtain and making them comparable across countries could be deemed a scientific discipline in itself. Knowledge gaps about organisational degrees are wider among employer organisations than among trade unions.

Trade unions

The latest available comparative figures on trade union density stem from OECD/ICTWSS and relate mainly to the period 1999–2013 (see Figure 7, page 18).

Trade union density has fallen in most countries since the beginning of the twenty-first century. The biggest declines have been recorded in the Czech Republic, Estonia, Hungary, Luxembourg, Slovakia and Slovenia. Up until 2013, it only remained comparatively stable in Belgium, France, Italy, Norway and Spain. With almost seven out of 10 wage and salary earners being members of a trade union in Denmark, Finland and Sweden, these countries continue to have the highest organisational degree of workers – despite recent declines. They are followed by Belgium and Norway, in which 5 out of 10 workers are still trade union members. In all other countries (for which data are available), less than 4 out of 10 workers join a union.

Figure 7: Trade union density, 1999–2013


Notes: Ratio of wage and salary earners that are trade union members, divided by the total number of wage and salary earners (OECD Labour Force Statistics). Density is calculated using survey data, wherever possible, and administrative data adjusted for non-active and self-employed members otherwise. * Latest year available is 2013, except for Ireland and the UK (2014) and Luxembourg, Poland and Portugal (2012).

Source: OECD, Data extracted on 12 May 2016 from OECD. Statistics based on ICTWSS 3.0.

Substantial declines in trade union membership over the past four to seven years were reported in Ireland, Lithuania, the Netherlands, Romania and Spain as shown in Table 4. Developments in other countries (such as Austria, Finland, Germany and Sweden), however, suggest that the overall trend of a decline has slowed down. In some of these countries, public sector and/or white collar unions in particular could gain members – not least in the context of austerity measures or other actions impacting working conditions for public sector employees. Membership stability was also reported in Poland and the UK. Other countries reported relatively stable or even unexpectedly positive developments, in trade union figures, although the available organisational data point to differences across sectors or occupational groups.

Table 4: Developments in trade union membership and density

Declining trade union membership and density
<p>In Spain, it was reported that the four biggest trade unions (who represent 80% of all trade union members) lost 584,788 members between 2009 and 2015. In the Netherlands, trade unions faced the lowest membership figures since 1991, with an ongoing decline in the fifth consecutive year: by the end of March 2015 there were 1.7 million members, 28,000 less than in 2014. Decline in trade union membership and density (along with uncertainty about its actual magnitude) was also reported in Romania where, according to the National Statistics Institute, the five national confederations currently account for less than 1.5 million members, out of a total number of approximately 4.5 million employees, pointing to a trade union density of approximately 30% in 2015. Statistics from Lithuania show an ongoing decline from 115,700 members in 2006, down to 94,200 in 2014. In Ireland, survey data from the Central Statistical Office (CSO) also suggest a continuous decline in trade union membership, with 428,000 members in 2015 (27% of employees aged 15 and over), down from 542,000 (34% of employees) in 2005. In Malta, a recently conducted survey by the Centre for Labour Studies at the University of Malta highlighted discrepancy in membership figures: according to the survey, 34% of Maltese workers are trade union members. This figure does</p>

not tally with the official statistics about trade union membership; the last such official report, which covered the year 2012–2013, indicated that union density in Malta is 58.8%. Even if pensioners, who are included in the figures provided by the trade unions, were subtracted from this figure, the density would still be above 50%.

Relatively stable membership

New figures from the Work Life Survey in 2015 by Statistic **Estonia** show that the prevalence and density of trade unions remain very low in Estonia: trade unions are present in 6% of all enterprises and 7% of employees belong to a trade union. The study involved 850 enterprises and 4,780 employees. Stable membership figures for 2014 **were reported** from the **UK** (6.4 million in total, unchanged). In the private sector, union membership increased for the fourth consecutive year to 2.7 million (+38,000). **Austria reported a small overall decline** in trade union membership for 2015; according to the Austrian trade union confederation, ÖGB, 1,196,538 members, amounting to a decrease of 0.13% on the previous year. Three out of the seven unions saw small increases, the biggest of which was recorded in the Union of Public Sector Employees. The largest decrease took place in the Union of Post and Telecommunications (GPF), the Union of Salaried Employees, Graphical Workers and Journalists (GPA-djp) and the services union, Vida.

In **Germany**, the trade union confederations reported an overall positive membership trend in 2015: the DGB saw a decline of only 0.15% and in December 2015 had 6,095,513 members. Losses were reported in some manufacturing sectors, in construction and rail transport, while the small teachers' unions and the police union saw significant gains in membership. DGB's two largest affiliates both did well in 2015; ver.di, the services union, had very moderate membership losses, with membership standing at two million by the end of the year. The four-year trend of increasing membership for the German Metalworkers Union (IG Metall) stabilised at 2.7 million members. Germany's second largest trade union confederation, the German Civil Service Federation (DBB), represents 43 trade unions whose members work mostly in the public sector. About two-thirds of its members are civil servants who are not allowed to engage in collective bargaining or industrial action. In 2015, the number of DBB trade union members increased by 1.3%. In common with the growth of the teacher and police unions affiliated to the DGB, these gains mirror growing demands on the part of public sector employees and workers in privatised companies.

Upward trends or more favourable developments than expected

In **Poland**, the first trade union survey conducted in 25 years by the Central Statistical Office (GUS) showed a more positive situation than results of annual public opinion polls performed by the Public Opinion Research Centre (CBOS) had suggested. GUS established that 1.6 million people belonged to trade unions. Trade union density amounted to 17% (of those who are employed on the basis of employment contracts), and 11% of all people in employment belonged to trade unions. There are 12,900 active trade union organisations (of 19,500 registered), of which 66% operate in the public sector. In **Sweden**, blue collar trade union members are reported to be the lowest in decades, while white collar unions have seen an increase. Between 2007 and 2014, the density rate for blue-collar workers decreased by two percentage points, falling to 64%, while it went up to 74% for white-collar workers (National Mediation Office (*Medlingsinsitutet*)). The fall in density rates started in 2007 when the centre–right government raised the fees for unemployment insurance funds (UIF). These fees were abolished in 2014. Preliminary Swedish figures for 2015 now suggest that in that year, the Swedish Trade Union Confederation (LO) gained its first membership increase for two decades (an increase of 1,500 members, totalling 1,467,000 members) and both of the two other trade union confederations, Saco and TCO, are also continuing to grow.

A similar development was reported from **Finland** where a surge in public sector trade union members followed austerity measures announced by the new government. The Service Union United (PAM) gained over 500 new members in one day while, during the same timeframe, a much smaller number than usual quit their membership. The Trade Union for the Public and Welfare Sectors (JHL) attracted 600 new members in one week – triple the usual figure – while the number of dropouts remained stable. Membership rates in unions for employees with a higher education level, by contrast, have remained largely even, although in some cases both inward and outward flows have been busier

than usual. In **Denmark**, the latest statistics from Statistics Denmark show an overall increase in the number of union members in 2014 ([DST.dk](#)). The overall increase is mainly due to growth in so-called ‘yellow unions’, such as KRIFA, Det faglige hus and other ideological alternatives to the traditional ‘red’ trade unions. These unions had an increase of 7.9%, while most of the traditional unions are still seeing a decrease in members. The Danish Confederation of Trade Unions (LO) decreased by 2.7% and the Confederations of Professionals in Denmark (FTF) saw a decline of 0.3%. The unions for academics and leaders experienced a minor growth in membership.

Social partners beginning to represent workers in the digital or sharing economy

During 2015, a few examples were reported of social partners beginning to represent members in the ‘sharing’ economy.

In **France**, a new union, **UNSA SCP-VTC, created in autumn 2015** covers the interests of chauffeur services not affiliated with taxi companies, such as drivers working for the digital on-call company Uber. One member of this union went to the labour court, requesting to change his partnership contract to an employment contract. This highlights one of the main issues: to frame, within employment law, the contractual status of Uber workers and the competitive advantage Uber has over traditional taxi services. This issue is ongoing; the US-based company have filed a complaint to the European Commission regarding the relevant French employment law, which, they feel, favours regular taxi services over Uber’s digital service.

In **Poland**, the largest national employer organisation, Employers of Poland (Pracodawcy RP), admitted Uber Poland in 2015. This may cause controversy due to allegations of Uber circumventing the law and the issue of its perceived unfair competitive practices with regular taxi companies.

In **Denmark**, an initiative of the recently elected president of LO **invited Uber** to explain the status of its employees and encouraged employer organisations to enter into dialogue with this new type of ‘platform economy’ company regarding how the Confederation could integrate this new way of doing business with Danish legislation and market regulation. LO has invited Uber to join a Danish employer organisation to ensure that its workers are covered by a collective agreement. As in other European cities, the issue of regulating this new taxi service provider is facing resistance because of its perceived unfair competitive practices with regular taxi companies.

While sharing these concerns, a more welcoming approach is taken by the largest employer organisation (NHO) in **Norway**, which, with the government, **is looking at integrating services** from the ‘sharing economy’, such as Airbnb and Uber, into the mainstream economy. New companies like We Clean, Nabobil.no and Leieting are perceived positively – as innovative rather than threatening. NHO is interesting in the opportunities presented by digital innovation.

In **Germany**, IG Metall finally announced a plan for significant investment, up to 2025, in activities that organise crowd workers in the digital economy.

Employer organisations

In contrast to trade union membership, employer organisations have been more stable (see Eurofound, 2004; 2010; and, more recently, European Commission, 2014a). Significant changes took place before the economic crisis. For instance in Slovenia where a considerable decline in membership was linked to the fact that membership became non-mandatory in 2006. Membership also declined in Romania. The Czech Republic, Denmark and Latvia saw some increases between 2002 and 2008 (see European Commission, 2014a, based on ICTWSS data). More recent data on membership figures (up to 2013–2014) and national peak-level employer organisations (NPEO) are available in the section on actors and institutions in [EurWORK’s working life country profiles](#).

Membership of employer organisations and why membership levels have remained comparatively stable has been the subject of recent research. On this topic, Eurofound (2010) concludes that:

while NPEOs’ collective bargaining and representative role has, by and large, changed little during the 2000s, many NPEOs have increased their focus on service provision and/or altered the nature or extent of the services

they offer affiliates, with the aim of better meeting employers' needs in a changing environment. This often takes the form of providing services in areas other than 'traditional' fields (such as industrial relations), including training, finance/credit, management and legal matters.

(Eurofound, 2010a, p. 34)

Brandl and Lehr (2016) investigated this empirically and assessed the extent to which stability in membership levels could be attributed to different factors. Their findings suggest that employer organisations' adaption of organisational structure and activities to the changing needs of business was crucial in keeping membership levels stable. A previous study argued that entering into binding collective bargaining was vital for employer organisations to 'survive' (Traxler 2004); Brandl and Lehr (2016) have suggested that this is not the case. A negative correlation was found between membership levels and involvement in binding collective wage bargaining. According to the authors, the findings suggest that companies may have deemed the changing institutional framework, which enabled them to bargain their own wage agreements with trade unions, to be a more favourable option than multi-employer bargaining. Employer organisations responded flexibly, focusing more on non-wage related aspects of collective bargaining and getting more involved in occupational training programmes and active labour market policies. They took advantage of economic openness, adapting their organisational structure and activities, in particular by undertaking mergers. All of this helped to stabilise membership levels.

Capacity building and international cooperation

Capacity building for national social partner organisations became an important focus in the context of the revival of social dialogue at EU level in 2015 (see chapter 2 on EU developments for further detail). Efforts to build the capacity of organisations to take part in social dialogue include the development and strengthening of administrative and professional capacities; the creation of knowledge or support of research about industrial relations; and the direct promotion of bilateral social dialogue.

A major focus on capacity building among social partners was reported by the Croatian correspondent (see box below). Other initiatives included, for instance, setting up a labour market economy council in **Sweden**, whose primary tasks are to analyse how labour market policy, wage formation and work organisation affect the workings of the labour market, with the aim of contributing to a more in-depth and transparent discussion on the subject. In **Bulgaria**, **a project on dispute settlement** was initiated to examine best practices for recording disputes, develop tools for monitoring disputes and propose changes to the law on mediation and arbitration procedures. The proposed legislative changes aim for effective and efficient social dialogue, with clear procedures of arbitration and mediation.

Capacity building among social partners in Croatia

The Croatian government assigned a grant of HRK 17.8 million (€2.3 million) to 18 trade unions, Croatian employer associations and civil society organisations for the development of social dialogue in Croatia in 2015. The amount was awarded on the basis of an open call from the EU project, 'Strengthening social dialogue – Phase II', as part of the operational programme, 'Human Resources Development'. The aim of this project is to improve the quality of social dialogue, and to develop and strengthen the administrative and professional capacities of the social partners at all levels. For example, the Metal Workers' Trade Union of Croatia received HRK 924,000 (€122,000) under the project, 'Knowledge for a better social dialogue', to organise roundtable discussions on improving social dialogue and training in occupational safety. All stakeholders expect to improve social dialogue as a means of avoiding conflicts and strikes.

The promotion of bipartite social dialogue has been the focus of the bipartism as a tool of success (BATOS) project. The Union of Autonomous Trade Unions of Croatia and Croatian Employers' Association signed the Agreement on Bilateral Co-operation on 29 January 2015. The project's objective is to strengthen the quality of autonomous bipartite social dialogue in Croatia. This includes:

- enabling permanent bipartite consultations and strengthening the role of social partners in Croatia in social dialogue through a new form of sustainable cooperation between social partners;
- strengthening the knowledge and capacity of social partners;
- raising awareness for efficient bipartite social dialogue, with emphasis on EU social dialogue and the process of implementing the autonomous framework agreements, fostering the social partners' effective participation in EU social dialogue.

On 7 April, 2015 the Croatian Employers' Association, the Association of Counties and the Association of Towns and Municipalities signed a cooperation agreement. Its goals are the promotion of social dialogue and the strengthening of communication between industry and local and regional governments.

On 26 August 2015, Croatian social partners, the Ministry of Labour and Pension System and the University of Zagreb, signed a partnership agreement in relation to the creation of a centre for industrial relations and the labour market. The centre will conduct research and analysis on industrial relations and systematically collect statistical data linked to industrial relations.

Examples of international cooperation between social partner organisations could also be described as examples of capacity-building activities (see Table 5). International cooperation initiatives that took place among trade unions in 2015 include:

- the renewal of long-standing cooperation agreements regarding the interests of migrants and cross-border workers in Luxembourg (with Belgium and Portugal);
- cooperation with and support of global trade unions in trade union rights (Sweden and worldwide); cooperation on common challenges and mutual support to enter into collective agreements within an international company (Belgium, France, Germany, the Netherlands and the UK);
- international cooperation among employer organisations mainly concerning the promotion of trade and business relations (Spain and France; Malta and Mediterranean countries); and
- the bilateral exchange between Czech and Slovakian tripartite councils.

Table 5: International cooperation of social partner organisations

Country	Organisation	Reason for cooperation	Type of cooperation
Trade unions			
LU, PT	OGB-L and UGT Peak level	Increased cooperation to increase skills of job-seekers and low qualified young workers. Organisation of conference on the lack of coordination of the EU social security system.	Renewal of cooperation agreement
BE, LU	OGB-L and FGFB Peak level	To defend the interests of cross-border workers. The agreement provides for an intensification of cooperation in communication and organisation of trade union activities.	Renewal of cooperation agreement
SE and overseas	SACO, LO, TCO Peak level	Swedish trade unions launched an international aid organisation (Union to Union) to cooperate with and support trade union organisations globally, through 99 development projects in approximately 80 countries. The focus of the cooperation is on trade union issues, such as the importance of human rights at work, trade union leadership, the work environment, equal rights and social dialogue.	Overseas aid organisation launched.
DE, FR, BE, NL,	ver.di and French, Belgian,	The trade unions agreed to join forces in addressing common challenges to job	Ongoing cooperation. Cooperation council

Country	Organisation	Reason for cooperation	Type of cooperation
UK	Dutch and British trade unions Port workers in Northern Sea	stability and working conditions such as automatisisation and overcapacity. They also agreed to support each other in reaching collective agreements with DP World, a company focused on container handling that operates across 65 ports worldwide.	
Employers			
MT and other employers organisations in Mediterranean countries	Malta Employers Association and BUSINESSMED Business and Trade	Maltese Employers Association became a member of BUSINESSMED to: promote the expansion of trade between the north and south of the Mediterranean; to implement partnership activities between different business communities in the region; and to lobby for greater participation of the private sector and the establishment of a prosperous free trade zone.	Membership
ES, FR	CEOE and MEDEF Business and Trade	The agreement is intended to facilitate business and trade relations between the two countries. Both organisations commit themselves to promoting bilateral cooperation, exchanging information, and sharing interests for the benefit of Spanish and French companies and the European integration. They will also present joint proposals for the reform of the labour market, international commercial relations, energy and financial issues, red tape simplification, and so on.	Bi-lateral agreement
Tripartite institutions			
SK, CZ	SPČR, ČMKOS, AZZZ SR, RUZ SR, ZMOS and KOZ SR. Finance	First meeting of Czech and Slovakian tripartite councils, the national level advisory bodies, was held on 7 September 2015 in Bratislava. Main topics were the functioning of the social dialogue, the minimum wage and cash registers, which should be introduced in the Czech Republic in 2016.	Ongoing cooperation

Note: Please find the full list of acronyms used in the annex.

Summary

During the economic crisis, social dialogue within tripartite institutions was often under strain – in particular in the new Member States. However, Poland and Romania have reported that institutional changes made in 2015 to these organisations helped to restore their functioning and to revive tripartite social dialogue.

The landscape of social partner organisations continues to be in flux. The year 2015 saw the trend of merging trade unions continue – seven such cases were reported, while for employer organisations only one sector-related case was reported. Three demerger cases were also noted on the trade union side. The ‘bigger’ cases of trade union mergers – concerning peak-level organisations – were discussed in Denmark (LO and FTF) and Finland (SAK and STTK).

Patchy national data on trade union membership and density suggest that the overall trend of a decline has slowed down in some countries (for example in Austria, Germany, Finland and Sweden). In some of these countries, some trade unions gained members, particularly public sector and/or white collar unions. An important context here was the range of austerity measures and other actions impacting on working conditions for public sector workers. Membership stability was also reported in Poland and the UK.

Substantial declines in trade union membership over the past four to seven years were reported from Ireland, Lithuania, the Netherlands, Romania and Spain. Very little recent data on employer organisations are available. However, studies and reports that were conducted since 2010 point out that membership in employer organisations has been largely stable. Brandl and Lehr (2016) investigate this ‘strange non-death’ and suggest that employer organisations and business associations adapted flexibly to changes. Specifically, Brandl and Lehr’s findings suggest that the declining involvement of these organisations in wage-related collective bargaining did not have an impact on membership because they reacted flexibly by focusing more on non-wage related issues in collective bargaining, and got more involved in occupational training programmes and active labour market policies.

Social partners in some countries are beginning to organise workers in the ‘digital economy’; for example, France has a union for Uber drivers, Uber is a member of Employers of Poland and IG Metall in Germany seeks to represent crowd workers. Others (like LO in Denmark and Norway) are starting dialogue with these workers.

International cooperation initiatives among trade unions, as of 2015, include: The renewal of long-standing cooperation agreements regarding the interests of migrants and cross-border workers in Luxembourg (with Belgium and Portugal); cooperation with and support of global trade unions in trade union rights (Sweden and overseas); cooperation on common challenges and provision of support to enter into collective agreements within an international company (Belgium, France, Germany, the Netherlands and the UK); and international cooperation among employer organisations mainly concerned with the promotion of trade and business relations (France and Spain; Malta and Mediterranean countries).

Read more from EurWORK on actors and institutions.

[European Works Council developments before, during and after the crisis](#)

[New topics, new tools and innovative practices adopted by the social partners](#)

4. Collective employment relations

Collective employment relations between employer and worker organisations are fundamental to the regulation of employment and industrial relations in all EU Member States and at EU level. Collective employment relations may take place at many levels: establishment, company, local, regional, sectoral, national, EU and international. They are exercised in different forms, including **tripartite concertation**, social dialogue, collective bargaining, information and consultation, employee participation of various kinds, and legislation.

This chapter briefly recalls the EU-level coordination of policies in the form of the European Semester in 2015. It also summarises the role of social partners in this context and recalls the most recent developments around the recast of the directives on information and consultation. It then looks into developments at national level – labour market reforms and major changes to labour-related legislation, followed by developments regarding collective bargaining and related legislation, policies and practices.

Developments at EU level

Coordination of economic and fiscal policies across Member States increased with the establishment of the European Semester in 2010. The European Commission undertakes a detailed analysis of EU Member States' plans for budgetary, macroeconomic and structural reforms, and provides them with country-specific recommendations for the 12–18 months ahead. Following the so-called Five President's Report in **October 2015**, the Commission decided to further streamline the European Semester. In the area of working life, this has involved a stronger focus on employment and social performance and enhanced democratic dialogue.

Recasting the information and consultation legislation?

In April 2015, the Commission started a **social partner consultation** under Article 154(2) of the Treaty on the Functioning of the European Union (TFEU) on the consolidation of the three EU directives on informing and consulting with workers. Differences in the scope or definitions and thresholds across these directives have prompted some demands at EU-level to review and simplify the legislation (see **C(2015) 2303 final**, a recast of the information and consulting directives for an overview).

During the consultation process, the European Commission enquired whether social partners believed that it should launch an initiative to revise or recast the three directives at national level, and if so, what its scope should be. They also asked if social partners would consider initiating a dialogue under Article 155 TFEU in this context.

In **response to the consultation**, the main employer stakeholders firmly opposed a revision or recast of the directives, while worker stakeholders tended to support it including the public sector in the scope of the directives, with a preference for a framework agreement under sectoral dialogue. Only in the absence of such an agreement were they in favour of extending the scope of application of the three directives to the public sector, not through a recast, but by means of a separate revision of the directives.

The Social Dialogue Committee for Central Government Administrations (SDC CGA) argued that information and consultation is a fundamental social right, and that all employees must therefore enjoy this right regardless of whether they work in the public or private sector. As a result, the SDC CGA negotiated a **common framework on information and consultation for central government administrations** under Article 155 TFEU (21 December 2015).

National developments

Collective bargaining

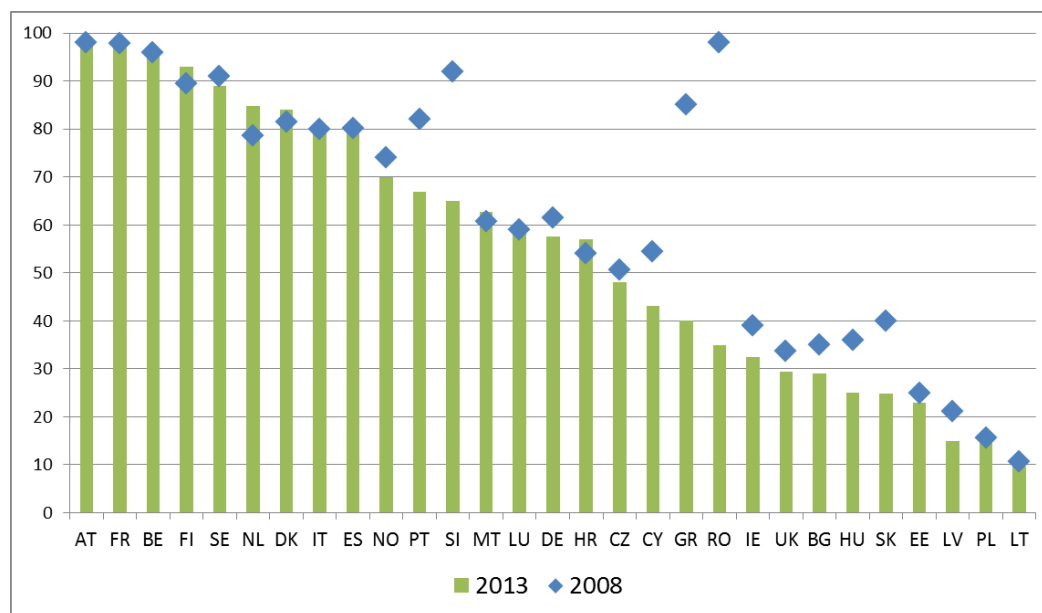
Collective bargaining – and in particular multi-employer bargaining – has come under strain in the aftermath of the economic crisis. While the trend towards a decline in the proportion of employees covered by collective agreements was already apparent before 2008, the financial and economic crisis has accelerated it in some Member States (Eurofound, 2015a; Eurofound, 2014a; Eurofound, 2013a).

The countries most affected by a drop in collective bargaining coverage were mainly among those that were hit hardest by the crisis in economic and financial terms: Cyprus, Greece, Hungary, Portugal, Romania, Slovenia and Slovakia. Bargaining coverage remained stable in many other Member States (see

Figure 8). The sudden drops in coverage rates were mainly the result of change in the institutional framework that regulates collective bargaining – an outcome of interventions by national governments or institutions in the programme countries (Cyprus, Greece, Ireland and Portugal).

This section looks into the most recent developments around collective bargaining and explores whether a trend reversal has begun in collective bargaining. It summarises ‘external’ interventions in collective bargaining, the decentralisation of collective bargaining, examples that suggest a further individualisation of collective bargaining or marginalisation of social partners, and recent regulatory changes affecting collective bargaining.

Figure 8: Collective bargaining coverage rate in % of employees covered, 2008 and 2013



Note: Data for BG refer to 2006 and 2012; PL: 2007 and 2012; MT: 2008 and 2012.

Source: ILO/Visser 2015; except Croatia: Eurofound correspondent.

Trend reversal in collective bargaining?

During the first half of 2015, there were some signs of a potential trend reversal in collective bargaining. The correspondents reported that a number of major collective agreements at national, sectoral and cross-sectoral level had been renewed, renegotiated, or had come under discussion. Several of the examples stemmed from countries that had been hit hardest during the crisis and/or in which collective bargaining had been most affected, such as Greece, Ireland and Slovenia. [EurWORK's topical update](#) ('Trend reversal in collective bargaining?'), published October 2015, concluded that it was probably too early to speak about a reversal in the collective bargaining trend in general, yet suggested that some tentative optimism might be justified. In addition, developments in

public sector pay suggested some return to pay growth, together with a broadening scope of public sector agreements after the years of pay freezes in several Members States.

Almost a year later, reviewing developments in collective bargaining during 2015, it seems that the situation has not turned out as ‘rosy’ as might have been hoped: Slovenian **employers walked out of the national social agreement** for 2015–2016, mainly because of controversies over changes made by government (and agreed upon with trade unions) to the Minimum Wage Act. In Greece, **hopes were dashed** regarding planned negotiations to restore the national minimum wage to its pre-2012 level, when the process was stopped after Greece signed a new loan agreement with its creditors.

On top of this, in 2015, new developments suggested that collective bargaining was coming under strain, or at least departing from ‘business as usual’, in several countries that were usually characterised by comparatively stable settings. The reasons for these varied and were rooted in external factors such as government intervention (Belgium and Finland), as well as internal factors that stemmed from disagreements between the social partners (Austria) or within one side of industry (Sweden).

Interventions in collective bargaining: Belgium, Finland and Sweden

In **Belgium**, the new government under Prime Minister Charles Michel intervened more explicitly in social bargaining, which created unrest among the social partners. Within the **start-up government agreement**, the government set out plans for an ‘index jump’, whereby the automatic wage indexation adaptation would be skipped on one occasion in order to reduce wage costs. This was positively voted upon in January 2016. In a very similar case, in **Finland**, **the tradition of tripartite consensus was challenged**: the new government under Prime Minister Sipilä pursued the objective of lowering labour unit costs by 5% so as to improve the country’s competitiveness. While government initially wanted social partners to agree on measures to achieve such outcomes, it also threatened a legislation-based ‘plan B’ if the social partners did not come to an agreement. Following failed negotiations, a proposal for legislative measures was announced in September. Massive protests followed, including a major demonstration organised by the trade union confederations in Helsinki on 9 September 2015; the government gave the social partners another chance to reach an agreement. After several rounds of peak-level negotiations, a preliminary agreement between the peak-level partners was reached in February 2016.

In **Sweden**, by contrast, social partners felt that the Swedish Centralbank (Riksbank) ‘meddled with’ their bargaining autonomy, when it forecasted higher wage increases than other institutes. They accused the bank of trying to influence wage bargaining, so as to reach their inflation target.

New regulations promoting collective bargaining (or aspects thereof) were implemented in 2015 in Ireland, Romania and Spain, at least partly reverting legislative changes that had been made during the crisis.

In **Romania**, the Law on Social Dialogue (62/2011) was very contentious, and had been long disputed by trade unions. In 2015, a turnaround was achieved, when **trade unions proposed amendments** to the Law, which were – after a phase of re-examination – finally approved. The law now **provides for a significant change** in the collective bargaining process, enhancing the importance of trade unions. It stipulates that in companies without a legally representative trade union, the employees can be represented in collective bargaining by the representative trade union federation to which the company trade union is affiliated and, thus, the federation is entitled to sign the contract. Prior to these amendments, Law 62/2011 provided that in establishments with no representative trade union, the collective agreement should be concluded, on behalf of employees, by the employee representative. This provision had resulted in the trade unions, which had not received representative status, being marginalised in collective bargaining.

In **Ireland**, the long-awaited legislation on collective bargaining, the **Industrial Relations (Amendment) Act 2015**, was enacted in July 2015. This Act amends the Industrial Relations Amendment Acts 2001–2004, which had been effectively rendered inoperable, from a trade union point of view, due to the impact of the Supreme Court’s ruling in the 2007 ‘**Ryanair case**’. The new Act gives effect to a long-standing commitment by the Fine Gael–Labour coalition government to

facilitate unions to establish collective bargaining norms in firms that do not recognise trade unions. The **social partners supported the new Act** for varying reasons; for unions, it provides a platform for better terms and conditions for members in firms that refuse to bargain with unions; for employer representatives, it does not make collective bargaining mandatory, nor does it make trade union recognition compulsory. By May 2016, several claims have been referred to the Workplace Relations Commission and Labour Court under the new Act.

In Spain, May 2015, the Supreme Court passed sentence concerning the validity of expired collective agreements. This has to do with the 2012 Labour Reform (Royal Decree Act 3/2012), which established a maximum limit of one-year to re-negotiate expired collective agreements; in other words, if no other agreement had been reached one year after the expiry date of a collective agreement, it would no longer be in force and the corresponding agreement/legislation of higher scope should be applied. The Supreme Court passed sentence against this clause of the Labour Reform for specific cases. In particular, those collective agreements that have clauses of automatic prorogue, and as approved by the Supreme Court, should be automatically extended, regardless of the advancement of the discussion process of the agreement and its duration – as **reported in the newspaper, El Pais**.

Changes to legislation in relation to collective bargaining were also proposed by a Spanish employer organisation and by the Employment Relations Board in Malta, but, to date, neither of these proposed changes has been implemented.

Tighter statutory regulation of trade union activities within the Trade Union Bill in the UK

The **UK Trade Union Bill** attracted a great deal of attention during 2015, as it could significantly alter the way in which trade unions are able to operate in the UK. Trade union legislation has remained largely unaltered there since the Trade Union and Labour Relations (Consolidation) Act 1992, so the proposals represent a significant change. The Department for Business Innovation and Skills (BIS) opened consultation on the bill in July 2015, which looked at three issues: **ballot thresholds, hiring agency staff during strike action and regulating pickets and protests**.

In May 2016, the Conservative government's controversial Trade Union Act completed the legislative process. The legislation introduces more stringent requirements covering strike ballots, particularly in essential services, and the conduct of industrial action. It also changes the law regulating the operation of union political funds, with potentially adverse effects on the finances of the opposition Labour party. The legislation was supported by employer groups but strongly opposed by trade unions. Union lobbying, in conjunction with amendments passed by the House of Lords, resulted in some significant concessions from the government. The Act represents a renewed tightening of the statutory regulation of union activities, which was a central focus of Conservative governments in the 1980s and 1990s. Key elements of the legislation target trade unions in the public sector where union membership remains relatively resilient.

To decentralise or not to decentralise?

The ongoing trend in collective bargaining – towards the decentralisation of collective bargaining to lower levels – has been extensively described elsewhere (Eurofound 2015a). Such decentralisation processes, however, have come in different forms (as described in Table 6, page 29), and are more organised or coordinated in some countries than in others (Traxler, 1995; ILO, 2015).

The most recent figures and analysis on collective bargaining coverage by ILO (2015) suggest that the predominant level of collective bargaining is the most important single factor in determining the level of coverage. Countries with predominantly national or sector-level bargaining tend to have higher coverage rates than those with mixed or pure company-level bargaining systems. Wherever multi-employer bargaining has come under strain and been replaced by company-level agreements, fewer employees are covered.

All in all, the 'predominant' collective bargaining levels have remained rather stable over the years (Eurofound, 2014b) – with some exceptions (Finland, Ireland and Romania). Most countries have

‘fine-tuned’ and revised aspects of their bargaining systems to favour wage setting taking place at lower levels, or to give the lower levels more control on this issue (Eurofound, 2014a).

In 2014, Eurofound’s correspondents pointed to some exceptions to and counter-examples of the decentralisation trend (Eurofound, 2015b). However, the reported figures and developments for 2015 only point to a tendency to decentralise collective bargaining to lower levels (Cyprus, Greece and Poland). Some examples reported during 2015 pointed to employers’ endeavours to decentralise collective bargaining; the biggest such example, one that implies a systematic change of bargaining, comes from Finland.

Reports from correspondents for 2015 also showed examples of trade unions attempting to counter the decentralisation of collective bargaining (Cyprus, Romania and Slovenia). To date, none of these attempts has been successful.

Table 6: Debates and actions that imply a shift in bargaining levels

Empirical evidence of more decentralised bargaining
<p>In Poland, it has been reported that collective agreements have been systematically replaced by lower-level regulations – work and pay regulations (annual report of the Polish Labour Inspectorate (PDF)). In Greece, figures from the Greek Ministry of Labour showed that the number of newly signed company-level agreements increased from 227 in 2010, to 976 in 2014, while the number of sectoral/occupational agreements declined from 65 to 14 in the same period. (Most of the new company-level collective employment agreements included wage cuts in the order of 10% to 40%.) In Cyprus, trade unions reported that between 2011 and 2014, a further decentralisation of collective bargaining from industry to company level was the result of a shift in the balance of power between the two sides of the industry, in favour of the employers’ side.</p>
Employer actions or endeavours to decentralise bargaining
<p>In Finland, collective bargaining was hitherto characterised as taking place at three levels. At national level, peak-level social partners, in dialogue with government, negotiated national framework agreements on wages and employment conditions. This national agreement formed the basis for bargaining at sectoral level, which in turn could transfer some issues to be negotiated locally, in company-level agreements (see EurWORK’s Working Life Country Profile for Finland, 2014). This had been the ‘general rule’ since the 1960s, but in 2007 and 2011, national collective bargaining was suspended. In 2015, the employer organisation EK changed their internal rules, with the effect that they are no longer able to conclude agreements at central level; instead, they can only be involved in sectoral level bargaining by supporting and coordinating their members. Trade unions regret this decision, as they fear that it will weaken the harmonisation of labour market policy and make it harder to address wage inequalities. In this sense the national wage agreement for 2016, which was completed during 2015, seems to be the last one to be agreed at central level. In Austria, the Federation of Austrian Industry (Industriellenvereinigung), which is itself not involved in collective bargaining, opened a debate to introduce opt-out clauses from sectoral level agreements, similar to the German model. This means that employers and works councils at company level would be entitled to negotiate agreements that allow pay levels below the collective agreement on sector level. The unions responded with intense indignation. The federal committee of the trade union GPA-djp adopted a resolution stating that the union will combat such a regulation by all available means. According to them, a forced and uncontrolled decentralisation of wage setting and bargaining would lead to the unions concentrating their activities at company level and would therefore result in an increase of strikes.</p>

Trade unions attempts to (re)centralise bargaining

In **Cyprus**, the trade union PEO wants to return to the discussions of extending collective agreements. In **Slovenia**, Jakob Počivavšek, the Secretary-General of the Confederation of Trade Unions of Slovenia (KSS PERGAM), **published an article**, in which he advanced the idea of creating a central platform for collective bargaining that should replace the vacuum created by the absence of a general collective agreement for the private sector. In **Romania**, unions also proposed a return to the possibility of negotiating a collective labour agreement at national level.

Towards an individualisation of ‘collective’ bargaining

The question as to which stakeholders are representative, or formally recognised, in collective bargaining, is crucial for management and labour. It legitimises the organisations as collective representatives, and opens doors to specific consultation processes, social dialogue and the rights to conclude collective agreements. The procedure to obtain representative status is organised or practiced in different ways across Europe – ranging between mutual recognition and legal conformity (Eurofound, 2016a).

The rights that come with having formal status vary across countries, but the common denominator is that being a ‘social partner’, as opposed to an ‘interest representation’, usually opens up more opportunities to engage with national authorities and the other side of industry. This can and does create inter-organisational conflicts and rivalries. During 2015, a number of cases were reported in which new rules on representativeness exerted an impact on inter-organisational disputes – at both sides of industry.

In **Poland**, the employer organisation Lewiatan has criticised the fact that some courts register ‘hybrid organisations’, which may function in the same way as ‘economic chambers’ and ‘employer organisations’.

Social partners’ criticism also recently arose in **Romania**, when the new government involved the ‘Coalition for Romania’s Development’ – a business association – in regular consultations. The social partners expressed concern that this process eludes the formal social dialogue structures for tripartite social dialogue and creates parallel mechanisms. Romania is a particular case; five years previously, legislative reform increased the representativeness criteria for social partners and re-shaped the economic sectors. Since then, trade unions and employer organisations have been **facing an uphill struggle** in their bid to become representative at sectoral level, especially in those sectors with high numbers of employees. The process of regaining representative status is a long one; in several sectors, only one side of the industry concerned has gained this status. According to **recent data (PDF)**, only 10 sectors have representative employer organisations, 9 sectors only have representative trade unions and no representative employer organisations, and 3 sectors have only representative employer organisations, but no representative trade unions.

In **France**, a new decree (13 June 2015, implementing Article 29 of Law No. 2014-288) to reform the representativeness of employer organisations is predicted to increase rivalry between individual organisations. To be representative at sectoral level, employer organisations have to include a number of member companies, representing at least 8% of all companies adhering to employer organisations in the corresponding branch. Employer organisation can oppose a collective agreement if they represent affiliated companies that employ more than 50% of the workforce of companies affiliated to employer organisation within the sector. The reform will come into practice in 2017.

Some countries reported inter-organisational rivalries or disputes among trade unions in relation to their status.

Examples of rivalries among trade unions regarding organisational status

In **Germany**, the **new Act on Collective Agreement Unity** (*Tarifeinheitgesetz*) that was passed on 22 May 2015 re-established the principle of ‘one establishment, one collective agreement’. In companies where there are overlapping collective agreements, only the agreement concluded by the majority trade union applies. **Smaller unions therefore fear** that their capacity to conclude valid collective agreements has been diminished and that this will affect their right to strike. Several trade unions have filed a complaint against the new Act: United Services Union (ver.di), a DGB affiliate; the Civil Servants Federation and Wage Union (Deutscher Beamtenbund und Tarifunion, dbb), the second largest trade union confederation; and the occupational trade union of medical doctors (Marburger Bund).

In **Luxembourg**, a sharp dispute between unions OGBL and LCGB followed the reform of social dialogue within companies. OGBL, the main union confederation, welcomes the reform and see it as ‘a first step [towards] more co-decision’. However, the second largest union, LCGB, is strongly opposed to the reform, feeling that it is tailored to the OGBL, as it gives more power to the union that receives the majority of votes at professional elections.

In **Malta**, **inter-union rivalries over recognition** have become more frequent recently. The standard practice is that a union is entitled to sole recognition in a workplace if it has more than 50% of the employees as its members. However, on three occasions, disputes between two trade unions, each claiming to have more than 50% of employees as members, led to industrial action at the beginning of 2015. According to the correspondent, these disputes did not destabilise the industrial relations system, and could be defined as merely bickering, but they have unsettled the actors involved in industrial relations.

In several Member States (such as Greece, Hungary and Romania), changes have been made in recent years to allow non-trade union organisations at company level to enter into collective agreements. There is evidence that this has become a very common, if not predominant, practice in at least two countries (including Greece and Romania, as shown in Table 7). Proposals to make collective bargaining more individualised have also been advanced by the Employment Relations Board in Malta and a representative of an employer organisation in Spain, but in both cases they were rejected. In Sweden, an inter-trade union conflict triggered LO trade unions to negotiate separately instead of joining forces in collective bargaining – the first time since the 1980s.

Table 7: Fragmentation of collective bargaining: Some country examples

Malta: Smaller bargaining units as a means to address inter-trade union rivalries?

In the context of trying to solve frequent inter-trade union rivalries, the Employment Relations Board made a proposal to the constituted bodies to make a provision in the law that would allow a minimum of six employees to form their own collective bargaining unit. The Malta Employers’ Association (MEA), while acknowledging that such units could make operational sense, stated that they are likely to produce logistical and legal problems especially in companies that have diverse groups of employees with very different working conditions. A medium-sized company split into several bargaining units would create complex problems for management. The trade union GWU argued also against this fragmentation within workplaces, fearing that this would jeopardise the harmony that prevails in the industrial relations scenario.

Spain: Employers’ internal debate about their role in collective bargaining

A representative of the umbrella employer organisation CEOE **proposed a reform of collective bargaining**, which caused quite a stir within the organisation, as it was also outside their official position. This proposal, by CEOE Director Jordi García Viña, questioned the purpose of collective agreements and the role played by employer organisations. Against this background, other CEOE members saw such proposals as being counter-productive, as they aim to discredit collective agreements (and trade unions), and to encourage the individual relationship between employer and employee. Most of the CEOE representatives have severely criticised these radical proposals.

Romania: Minority of new company-level agreements signed by official trade union

According to a [Romanian study](#) (Guga and Constantin, 2015), in 2011 employee representatives were empowered to negotiate collective agreements in cases where there was no representative union organisation at company level. In 2014, 86% of the total collective agreements concluded at company level were negotiated and signed by an employee representative, and only 14% by a trade union representative. The situation is even more dramatic in the private sector – only 8% of the collective agreements at company level have been concluded by a trade union representative.

Greece: Six out of ten new company-level agreements not signed by official trade union

A Greek study (Kapsalis and Triantafyllou, 2014) showed that out of the total number of 544 company-based agreements that were mainly made during 2013, 41% were signed by an official company trade union representative, while the rest (59%) were signed by the quasi-unions in companies called ‘association of persons’. Such associations comprise three-fifths of a company’s employees who may enter into a collective agreement, even in a business that only has five employees. A draft Ministry Bill in 2015 was intended to abolish this provision, but was overruled by the Third Memorandum of Understanding.

Sweden: LO unions negotiate independently in the 2016 wage bargaining rounds

The wage bargaining rounds of 2016 will determine the wages of almost three million Swedish workers. Traditionally, the Swedish Trade Union Confederation (LO) have coordinated the negotiations on behalf of the 14 blue-collar trade unions. However, in October it was decided that [the LO-affiliated trade unions will negotiate independently in the upcoming bargaining rounds](#). Despite the fact that a majority in the LO governing board was in favour of joint negotiations, cooperation was not possible because a few of the unions opposed it, thus making 2016 the first year since the 1980s without any central coordination. The main reason behind the decision was the [failure to agree on the issue of gender equal pay](#).

Labour related legislation

General labour market reforms and their scope

During 2015, some Member States introduced major labour market reforms with new legislative packages that affected different aspects of labour market institutions, contractual forms, social protection issues or active labour market policies (see Figure 9, page 33).

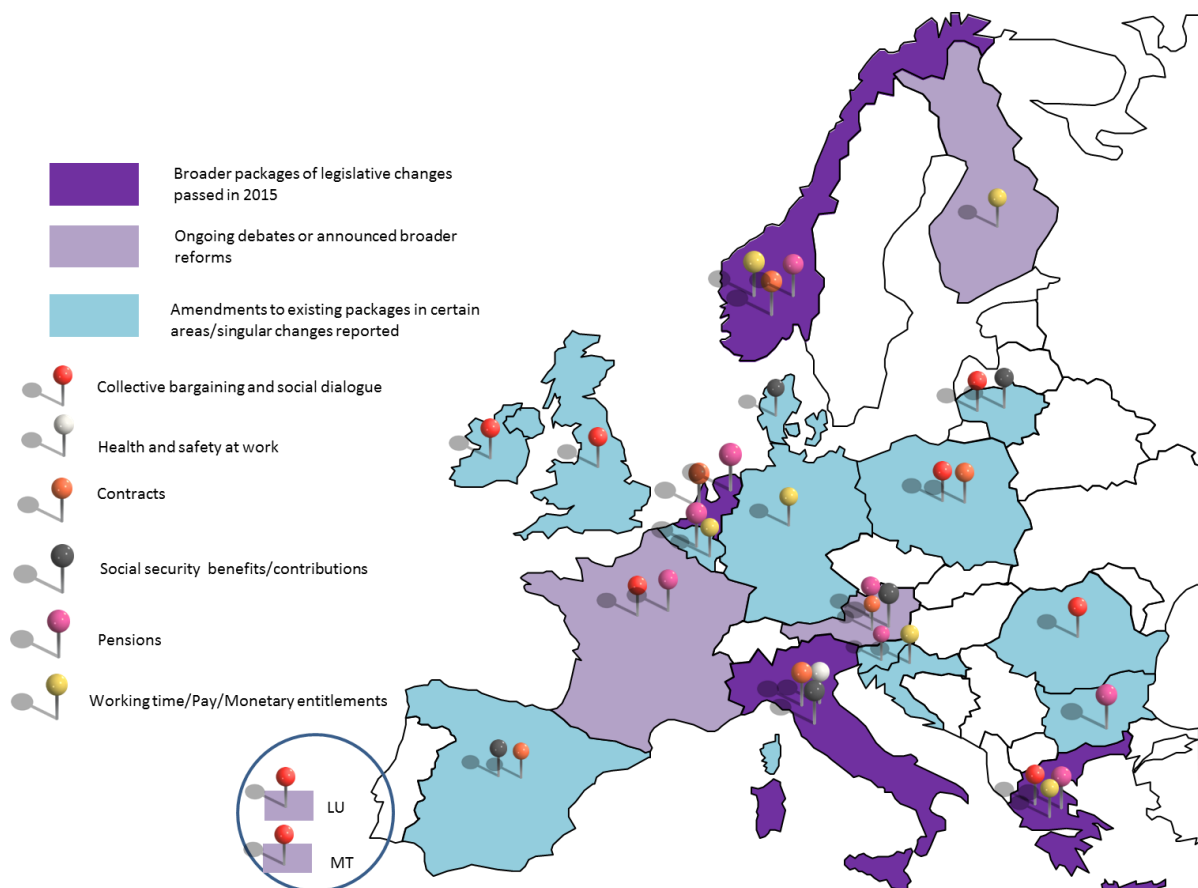
One of the most wide-ranging reforms was probably the Jobs Act in **Italy**, debated during 2014 and introduced in 2015, which addresses increasing flexibility and ensuring security. This included: the [reduction of protection regarding unfair dismissals](#); the [reform of unemployment benefits](#) and of [temporary unemployment benefits](#); the [reshaping of employment relationships](#); the [rationalisation of inspection activities](#); the [reorganisation of active labour market policies](#); the [new rules on job tasks](#) and the [measures targeting economically dependent self-employed work](#).

In the **Netherlands**, the [Act on Employment and Security](#) (*Wet werk en zekerheid, WWZ*) and the **Norwegian Working Environment Act** – which both came into effect on 1 July 2015 – were broader legislative packages. While the Dutch Act aimed to create a new balance between ‘insiders’ (permanent employees with high levels of protection) and ‘outsiders’ (flexible workers with little or no protection), the Norwegian Act relaxed rules for temporary workers and working time. The changes are likely to be mostly felt in the private service sector, where employers’ demand for temporary employment and extended working time has been the highest, and where collective bargaining coverage is low.

The Third Memorandum of Understanding between **Greece** and the European Stability Mechanism (ESM) can be considered another multifaceted package of labour market reforms, including pensions, aspects of collective bargaining, as well as pay and other monetary entitlements [for public sector employees](#).

In **France**, at the end of 2015, the government announced that it wanted to carry out a major reform of the Labour Code in consultation with social partners – to be presented and discussed during 2016. The reform shall include an enhanced scope for collective bargaining. The sections regarding working hours, rest time and leave arrangements will also be revised. Developments during the first months of 2016 have already **indicated that the reform is controversial**.

Figure 9: Overview of labour market reforms and major changes in labour legislation, 2015



Source: Eurofound's network of European correspondent, EurWORK quarterly reporting

Continuing controversies in the aftermath and reversal of reforms

Debates on broader labour market reforms usually do not stop once legislation is passed, but continue during the implementation phases when unexpected problems tend to occur (see Table 8, page 34). This happened in Latvia and the Netherlands, where unresolved issues need to be tabled a second time. In some cases, they continue years after implementation, following the outcomes of initial evaluations or monitoring exercises (such as in Hungary and Spain).

Reforms can also be reverted, when political power changes. This happened in **Poland**, in Sweden (in early 2016) and in Norway at municipal level. It was also attempted in **Greece** by the Syriza-Anel coalition government.

In **Italy**, the reaction of social partners to the Jobs Act was mixed, with employers in favour of it and trade unions being by and large more critical. The Italian General Confederation of Work (CGIL) announced its intention to promote a citizens' initiative to strengthen workers' rights. In **Spain**, during the electoral campaign the opposition political parties – the Spanish Socialist Workers' Party (PSOE) and Podemos – committed to abolishing the 2012 reform should they win the election. In **Norway**, opposition parties, including the Labour Party (Ap), have strongly opposed the changes there and have vowed to repeal most of them if elected into government in 2017. These parties gained traction in the municipal elections in September 2015. As a consequence, more than 40 of Norway's 428

municipalities – including Oslo – have so far decided to base their employment practices on the old rules, ignoring the new opportunities for extended working time and temporary employment. Other examples include a reversal of an increase in the maximum pension age in Poland (2013, see page 35 on pension reforms and pension related legislation) and the **more recent Swedish example** in which the current Social Democrat and Green party coalition scrapped some aspects of the labour market reform of 2008, such as the cap on sickness benefits and a scheme of mandatory workplace activities for the unemployed.

Table 8: Reactions, assessments and debates in the aftermath of labour market reforms

Hungary: Trade union survey on effects of the 2012 Labour Code reform

In Hungary, the Democratic Confederation of Free Trade Unions (LIGA) **carried out a large survey (PDF)** among 2,000 employees and 800 companies regarding the effects of the 2012 Labour Code reform. It found that 18% of workers considered their working conditions worse, 73% felt they had remained unchanged and 9% experienced an improvement. The research also showed that the new legislation particularly affected workers living in poorer social conditions, those with health problems, and those who were weakly integrated into the structure of their workplace and who have a lower capacity to represent their interests; those who are in need of stronger protection.

Italy: Social partners have differing views about the Jobs Act

Employer organisations welcomed increased flexibility for indefinite contracts and fixed penalties for unlawful dismissals, which had previously been at the discretion of the courts. They expect that these factors will improve the business climate and make the country more attractive for foreign investors. However, the Italian General Confederation of Work (CGIL) and the Union of Italian Workers (UIL) organised demonstrations to protest the Act. They complained about the lack of dialogue and have questioned whether the simplification of dismissals is the right way to increase employment. The metalworkers' union, FIOM-CGIL, called for a referendum to abolish the Jobs Act. Afterwards, CGIL started working on a law proposal intended as a comprehensive reform of workers' rights to be presented as a citizens' initiative. The Italian Confederation of Workers' Unions (CISL), while criticising the downgrading of protection against collective dismissals, says the new measures on individual employment relationships are likely to reduce atypical contracts in favour of permanent jobs.

Latvia: Continued debate after the 2014 labour market reform

In Latvia, major labour market reform **was implemented in 2014**. Since then, employers and employees have continued to debate two unsolved issues: the rate of pay for overtime work and the need for trade union consent in the case of dismissal of a trade union member.

Netherlands: Unexpected problems in the implementation of the Act on Employment and Security (WWZ)

The new WWZ was implemented quickly, leading to a number of omissions and unintended consequences, which have been pointed out by academics, employers and unions. Some changes introduced by the Act included the entitlement of certain categories of employees on a fixed-term contract to a 'transition payment' (to replace, to a great extent, existing arrangements on redundancy payments), even in cases where their contract has expired. Changes were also made to avoid situations where seasonal workers would not be rehired due to WWZ provisions and to avoid double redundancy payments. The Act also affected the rights of temporary agency workers, who are now entitled to the transition payment if they have worked two years or more for the same company and are not given a subsequent contract. However, cases were reported of companies trying to get round the new WWZ rules by sacking temporary workers before it came into effect, to avoid having to give them permanent contracts. The unexpected consequences of the WWZ originate in tensions between the spirit and the letter of the new legislation, the diverging preferences of employers who want more flexibility, and employees who want more security.

Norway: First effects of the Working Environment Act

It is too early to assess the effects of Norway's Working Environment Act; statistics on changes in working time or employment type are not yet available. However, preliminary results of a government-financed project indicate that employers are not more likely to hire candidates with questionable qualifications, health, language skills or CVs just because the position is temporary. In addition, it is expected that the proportion of temporary employees will increase. Another recent survey shows that a majority of union representatives in LO fear that more temporary employment **will worsen the working environment in their company**.

Spain: First assessments of the 2012 labour market reform

The **impacts of the 2012 labour market reform** have been mixed and not necessarily clear cut. Employer representatives have generally welcomed the changes, but have suggested flexibility should be further encouraged. Trade unions claim the quality of employment has deteriorated and labour precariousness increased, accompanied by a growing imbalance in income distribution. Collective bargaining has been weakened (Eurofound, 2015a). Overall, the assessments suggest that the legal changes have increased salary and organisational flexibility, leaving more room for negotiation at company level and for avoiding dismissals, but the reform has not contributed much to the creation of employment.

Pension reforms and pension related legislation

Several countries changed their legislation in relation to pensions.

In 2015, increases in pensionable age were reported in **Bulgaria** and **Denmark** and debated in **Belgium** and **Greece**. The **Netherlands** passed a bill to quickly increase the pensionable age, Norway increased the maximum age of retirement, and in **Denmark** there is no longer an 'automatic' retirement at 70 years of age. **Slovenia** reported further smaller amendments regarding partial pensions and funding.

In **France**, **social partners agreed on** the future of two complementary pension regimes that they manage. Against the background of financial difficulties, they introduced a 'bonus-penalty system' to encourage employees to retire later. The introduction of a similar system was also agreed by the **Austrian** government, but targeted at companies rather than employees: companies with more than 25 employees will be subject to a quota of employees aged 55 years and older. The quota will be sector-specific and differentiated according to age (55–59 years and 60+ years) and gender. All those companies not fulfilling the quota by 31 October 2017 will be obliged to pay a double cancellation duty per terminated employee in the relevant age group (€236 per employee instead of €118). Those companies fulfilling the quota will receive a reduction of 0.1 percentage points regarding the Family Burden Equalisation Fund. Currently, 57% of approximately 16,000 qualifying companies do not employ enough older workers; 2,000 of them would have to employ at least one older worker in order to qualify for the bonus.

Despite confirmation of the general trend that countries are regulating towards making people work longer, one 'counter-example' of this trend emerged in 2015. On 30 November, Andrzej Duda, the President of **Poland**, presented **draft legislation** aimed at lowering the retirement age, from 67 years for men and women, to 65 years for men and 60 years for women (as it had been before 2013). This initiative is an attempt to fulfil a pledge made by President Duda during his presidential campaign, but it has met with **severe criticism** from the business sector.

Three other countries announced upcoming pension reforms in 2016: In **Italy**, the government confirmed its willingness to reform the pension system, aiming to increase pension flexibility. It also confirmed its willingness to consult with social partners before submitting a draft of the pension scheme reform, which represents a relevant part of the national reform programme. In **Bulgaria**, the focus will be on the reform of disability pensions. In **Austria**, a government pension summit took place in February 2016, with the aim of agreeing several reforms, among them a bonus for those working beyond the legal retirement age, an increase in the minimum pension for persons with at least

30 contributing social insurance years and improved measures for the re-integration of those temporarily incapable of working.

Equality and equity in the context of pension debates – Denmark, Hungary and Italy

At EU-level, on 4 June 2015, the Council adopted [conclusions \(PDF\)](#) on the subject of ‘equal income opportunities for women and men: closing the gender gap in pensions’. The conclusions call on the Member States and the European Commission to: promote research into the causes and effects of the gender gap in pensions; develop an indicator within the assessment framework of the Social Protection Committee; and to pursue measures to tackle the causes of the gender gap in pensions. Since pension issues are, for the most part, a matter of national competence, the Member States are to take an individual approach to addressing this problem.

In 2015, at least three cases regarding equality or equity were a focus of national debate in the context of pension reforms. In **Hungary**, trade unions proposed to decrease the pensionable age for men, so as to close the gender gap at pensionable age. This met with resistance from employer organisations. In **Denmark**, the question of whether all professions should have the same retirement age was planned as part of a tripartite dialogue in spring 2016. In **Italy**, the trade unions CGIL, CISL and UIL decided to speed up the debate and to tackle the issue jointly, since they believe that the relevant legislation introduced unfair rules and differential treatments among workers. According to the union leaders, special rules should be envisaged for the contribution-based system, so as to ensure an adequate and decent pension for those with low-paid, occasional work. They also argue that it would be useful to promote intergenerational solidarity schemes through the payment of imputed social security contributions, with the aim of fostering part-time work on a voluntary basis among older workers in the latter years of their career, alongside the hiring of young people.

Other major legislative changes

Other major legislative changes or debates were reported in relation to social security contributions and benefits, the regulation of contractual aspects and in the area of working time and pay.

- **Social security:** Lowering social security contributions (or other forms of labour-related taxation) was the focus of debates in Austria, Belgium and Latvia. In Denmark, a reduction was made in social security benefits, and in Spain, social security legislation was formally consolidated without changes in the system. In Bulgaria, [controversial changes to the Social Security Act were debated](#).
- **Contractual aspects:** In Spain, self-employment was promoted and the social economy was regulated, while Poland limited the use of fixed-term contracts. Sweden’s Posting of Workers Committee suggested a legislative amendment to enable unions to take strike action against employers of posted workers. Slovakia passed new legislation for temporary agency workers so as to ensure equality in pay and working conditions, and the Netherlands passed the Labour Market Fraud Act (*Wet aanpak schijnconstructies, WAS*) to stop companies from circumventing aspects of labour legislation. Some of these points are discussed in greater detail in chapter 7 on individual employment relations.
- **Working time and pay:** Changes in relation to working time legislation were debated, but not settled in Germany. Smaller changes and amendments to legislation were agreed in Austria, in particular regarding the transparency of ‘all-in’ clauses and travelling time – daily maximum working hours may be extended when active travelling time is involved, for example on business trips or when doing installation work. Some of these points will be discussed in more detail in the chapter 5 on pay and 6 on working time.

Summary

During the first half of 2015, there were some signs of a potential **trend reversal** in collective bargaining. A number of major collective agreements at national, sectoral and cross-sectoral level were renewed or renegotiated, or had come under discussion. This was particularly the case in countries that had been hit hardest during the crisis and/or where collective bargaining had been most affected, such as Croatia, Greece, Ireland, Slovenia and Spain. However, not all renewed agreements were implemented: Slovenian employers walked out of the national collective agreement and in Greece, the hopes of social partners were dashed.

More surprisingly, however, 2015 also saw major **tensions** in collective bargaining and social dialogue in a number of Member States usually characterised by comparatively stable and consensus-oriented industrial relations. In Belgium and Finland, intervention by new government was considered to be greater than normal. In Austria, social partners disagreed over the introduction of opt-out clauses in sectoral collective agreements. In Sweden, trade unions – for the first time since the 1980s – negotiated separately, and in Finland, a systematic move away from national-level and towards sectoral-level bargaining is expected, following a change in the internal rules of the peak-level employer organisation, EK.

In the UK, several **provisions of the Trade Union Bill**, devised during 2015, received a lot of criticism and provoked resistance from the trade unions. The Act represents a renewed tightening of the statutory regulation of union activities, which was a central focus of conservative governments in the 1980s and 1990s. Key elements of the legislation target trade unions in the public sector where union membership remains relatively resilient.

On a positive note, 2015 also brought about some **legislative support** for collective bargaining and social dialogue – in particular in countries where the economic crisis had the biggest impact on industrial relations. In Romania, a new law **provides for a significant change** in the collective bargaining process, (re-)enhancing the importance of trade unions. In Ireland, the long-awaited **Bill on collective bargaining** strengthens collective bargaining rights in firms without trade unions. Poland's Act on the Council of Social Dialogue and other social dialogue bodies **established new tripartite institutions**, so social partners **can now hope that national social dialogue comes back on track**. The Spanish Supreme Court passed a sentence concerning the validity of expired collective agreements, thereby reverting an aspect of the 2012 Labour Reform (Royal Decree Act 3/2012), which established a maximum limit of one year to renegotiate expired collective agreements.

Examples from some countries showed that the **decentralisation** and individualisation of collective bargaining, with social partners being marginalised, is ongoing. Rivalry and disputes among organisations continued to be linked to the issue of being recognised as a bargaining partner at company level (such as in Germany, Luxembourg, Malta and Romania), or to relate to organisations without 'social partner' status entering into the social dialogue sphere (such as 'hybrid organisations' in Poland, or the Coalition for Romania's Development).

Several major labour market reforms were implemented during 2015; the Italian Jobs Act, The Dutch Act for Employment and Security, the Norwegian Working Environment Act. In France, a major labour market reform was announced for 2016 and beyond. Pension-related legislation was one of the most frequently reported areas of reform across Member States. The general trend was to legislate towards extending the retirement age; the exception was Poland where a lower pensionable age was reintroduced. EurWORK reports show that such reversal of legislation happens often. Labour market reforms continue to be the subject of debate – for example in Hungary, Italy, the Netherlands, Norway and Spain – for years after they have been implemented. In some cases – generally in connection with a change in political power (Poland and Sweden in 2016) or court rulings (Portugal and Spain), aspects at least of such reforms can be reversed. The case that had the most media coverage occurred in Greece, where the government, under Prime Minister Alexis Tsipras, attempted to restore many aspects of labour legislation (including collective bargaining and minimum wages) that had been previously overturned in the context of the bailout programmes. However, the conditions of the third Memorandum of Understanding, rules this out as an option.

Read more from EurWORK on collective employment relations.

Eurofound publications 2015:

[Collective bargaining in Europe in the 21st century](#)

[Role of the social partners in the European Semester](#)

[Linking information and consultation procedures at local and European level](#)

EurWORK topical updates 2015:

[A trend reversal in collective bargaining?](#)

[Reform of old age pension and retirement systems in the EU](#)

[Turbulent times in air transport: Recent collective disputes and the ‘race to the bottom’](#)

[Public sector is focus of industrial action](#)

5. Pay

Pay is central to the relationship between employer and employee. The level of pay, to a great extent, influences the job satisfaction, quality of work and standard of living of employees. For employers, pay is the most significant part of labour costs, and accounts for a proportion of the price of goods and services. The position of pay in the EU policy framework is ambivalent. The treaties deny the EU competence on matters of pay and recognise the autonomy of the social partners in pay bargaining. At the same time, the EU has made several interventions on issues of pay, most notably the explicit commitment to equal pay for women and men in the Treaty on the Functioning of the European Union.

This chapter briefly recaps the latest developments in the area of pay at EU level and then presents figures on actual and collectively agreed pay outcomes, as well as on statutory minimum wages, across Europe.

Developments at EU level

In October 2014, the Euro Summit was called to develop concrete mechanisms for stronger economic policy coordination, convergence and solidarity and to prepare next steps on better economic governance in the euro area (see Eurofound (2014b) for an overview). The **Five Presidents' Report** of 2015 aimed to strengthen the competitiveness of the EU Member States. One of its recommendations is that each Member State should set up a democratically accountable and operationally independent national competitiveness authority. The competitiveness authorities are not aimed at harmonising practices and institutions in charge of wage formation across borders. Those processes vary widely within the EU and reflect national preferences and legal traditions. Based on a common template, each Member State should decide the exact set-up of its national competitiveness authority, which should be democratically accountable and operationally independent. During wage-setting negotiation, the national actors, such as social partners, should use the opinions of their country's competitiveness authority as guidance. Some Member States, like Belgium and the Netherlands, have already established such a body.

In July 2015, the **European Council approved the country-specific recommendations**. Eleven countries received recommendations related to wage setting. According to ETUC and ETUI (2016) these recommendations concern alignment of wages with productivity, the reform of wage-setting systems and the review of the system of minimum wage setting.

Seven countries (Belgium, Croatia, Finland, France, Luxembourg, Portugal and Spain) were recommended to align wages with productivity. **Belgium (PDF)**, **Croatia (PDF)**, **France (PDF)** and **Portugal (PDF)** were advised to make wage setting more flexible. Finland should continue with moderate wage developments to improve cost competitiveness. In **Spain (PDF)**, given the high unemployment rate, wages for some sectors and companies in the short term may need to grow below productivity. In **Luxembourg (PDF)**, sectoral real wages should better reflect differences in sectoral productivity. Portugal should increase the scope to derogate from sectoral agreements to allow more flexibility to align with productivity at company level.

Four countries (Croatia, France, Italy and Luxembourg) were advised to reform their wage-setting system. Croatia's wage-determination system was considered to be not flexible enough to adapt to changes in the macroeconomic environment. France and Luxembourg were recommended to reform their wage-setting processes to ensure that wages evolve in line with productivity, and Italy was recommended to decentralise wage bargaining through improved scope for second-level bargaining.

Five Member States (Bulgaria, France, Portugal, Romania and Slovenia) were given recommendations relating to minimum wages: **France (PDF)** and **Portugal (PDF)** should ensure that minimum wage developments are consistent with the objectives of promoting employment and competitiveness. **Bulgaria (PDF)** and **Romania (PDF)** were recommended to establish a transparent mechanism for setting the minimum wage in consultation with the social partners and in accordance with national practices. The clear and transparent guidelines for setting the minimum wage are meant

to eliminate uncertainty in relation to striking the right balance between supporting employment and/or competitiveness and safeguarding labour income. [Slovenia \(PDF\)](#) was advised to review the way they set their minimum wages in light of the impact on in-work poverty, job creation and competitiveness.

Collective wage bargaining in the EU

This section provides information on the levels at which collective wage bargaining takes place in the EU28 and Norway. In most cases, different bargaining levels co-exist within one country, and the levels can be interlinked, so a worker can be covered by agreements made at different levels (see Figure 10, page 41). **Collective bargaining levels used in this chapter**

Company level – refers to the lowest level of collective bargaining. Collective agreements concluded at this level can cover (parts) of one or more companies.

Sectoral/industry level – refers to collective bargaining at the level of a sector. Collective agreements concluded at this level can cover (part) of (several) sectors.

Central or cross-sectoral or cross-industry level – refers to the highest level of collective bargaining and the agreements concluded at this level can cover (almost the whole) or large parts of the economy.

This section summarises, for the year 2015, the levels that (co-)exist in different countries, how ‘important’ they are in relation to other levels by looking at the share of workers covered by agreements at different levels, and how decisive or influential they are in determining the magnitude of wage change.

The data show that in the majority of countries, the most decisive levels are also the most important or predominant ones in terms of workers being covered at that level. The sectoral/industry level was identified as the most decisive level regarding the magnitude of wage changes in 10 countries (Austria, Denmark, Finland, France, Germany, Italy, the Netherlands, Romania, Spain and Sweden). In Croatia and Cyprus, both sectoral/industry and company levels were identified as the most decisive. Company level was the most influential level for wage bargaining in eight countries (Bulgaria, the Czech Republic, Estonia, Hungary, Lithuania, Malta, Slovakia and the UK). In Ireland and Norway, company level was cited alongside central/cross-sectoral/cross-industry level.

The central level is most decisive in Belgium. In Greece and Slovenia, all three levels were reported to be equally influential.

Company level has the greatest importance (in terms of coverage) in 14 countries: Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Ireland, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia and the UK. The new Member States predominate this list.

In Cyprus and Luxembourg, both company and sectoral/industry levels were reported to be more or less of equal importance in this regard. In Austria, Denmark, France, Germany, Italy, the Netherlands, Spain and Sweden, the sectoral/industry level was the predominant level. In Finland, this position is shared by central/cross-sectoral/cross-industry level. The central level has the most importance in Belgium; in Norway, the central level (alternating every second year with the sectoral level) shares this position with company level.

Figure 10: Collective wage bargaining levels, their decisiveness and importance, EU28 and Norway, 2015

Country	Central or cross-sectoral/cross-		Sectoral/industry level		Company level	
	Decisiveness	Importance	Decisiveness	Importance	Decisiveness	Importance
AT						
BE						
BG						
hr						
CY						
CZ						
DK						
EE						
FI						
FR						
DE						
EL						
HU						
IE						
IT						
LV						
LT						
LU						
MT						
NL						
NO						
PL*						
RO						
SK						
SI						
ES						
SE						
UK						

Decisiveness: How decisive are agreements at given level as regards the overall magnitude of wage changes

- Wage changes are solely determined at this level
- Wage changes are mainly determined at this level
- Wage changes can be determined at this level but co-exist with those determined at other levels
- Wage changes are recommended or informally set at this level, but they are not binding

Importance: The degree of importance of levels of wage bargaining based on their share in total collective bargaining coverage within a country.

- Predominant level – accounts for 2/3 of all workers which are covered by a collective agreement within the country
- Important but not dominant level – accounts for 1/3 to less than 2/3 of all workers covered by a collective agreement within the country
- Existing level, but not important - accounts for less than 1/3 of all workers covered by a collective agreement within the country

Notes: * Wages are most often set unilaterally by employers.

**Cross-sectoral agreement is not a collective agreement in a strict sense. It establishes guidelines to be followed in collective bargaining.

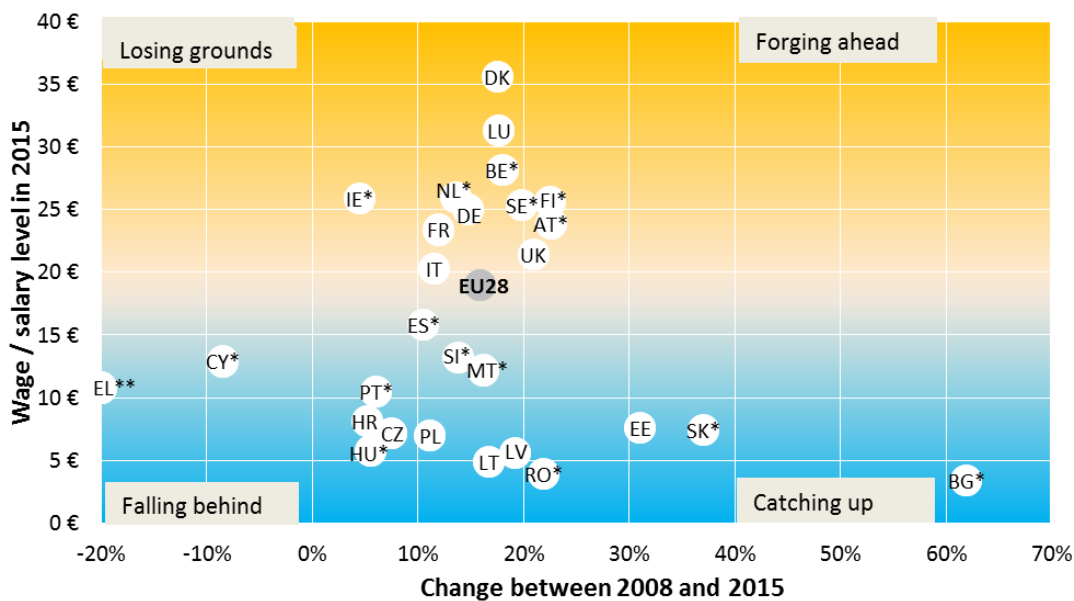
Source: Eurofound, Network of European correspondents.

National developments

Actual wages and salaries

The Eurostat [data on wages and salaries](#) show large variations across European countries in the level of nominal hourly wages and salaries (see Figure 11). Denmark, Luxembourg and Belgium top the list of highest hourly wage, at €28. By contrast, Bulgaria, Romania and Lithuania have an hourly wage less than €5 and are among those countries with the lowest pay levels in the EU. Moreover, over the past seven years, pay does not seem to be converging across all low-pay and high-pay Member States. Since the beginning of the economic crisis, many low-pay countries have seen wage growth comparable to or lower than (especially in Greece and Cyprus) that of high-pay countries. Exceptions to this are Bulgaria, Slovakia and Estonia, where, in the same timeframe, average wages and salaries grew by more than 30%. Nonetheless, their wage level still falls considerably below the EU28 average.

Figure 11: Total annual hourly nominal wages and salaries, 2015, and change (%) 2008–2015



Note: * Provisional data for 2015; ** Data for 2015 not available so 2014 data used instead.

Source: Eurostat, [variable tps00173](#) (Wages and salaries, total).

What impact do different wage bargaining systems exert on pay outcomes?

Do decentralised bargaining systems generate more pay moderation? Do they result in pay being more closely aligned with productivity developments? What role does coordination play? Eurofound (2015c) has recently looked into these questions by analysing a large panel dataset that connects information on wage-bargaining systems with data on pay outcomes*, controlling for a number of contextual factors that could also have influenced pay outcomes. The data range from the early 1990s to 2013 and cover 27 countries. Estimations were made using different fixed effects models.

According to the findings of the study, the type of coordination and the level of wage bargaining are key institutional variables influencing pay outcomes. All types of coordination (pattern bargaining, intra- and inter-associational bargaining and state-sponsored or state-imposed bargaining) result in significantly lower average pay outcomes than uncoordinated wage bargaining. Institutional regimes that operate company-level bargaining or bargaining that alternates between sector and company level are more associated with higher pay outcomes than regimes where sector or higher levels are predominant. This suggests that wage moderation occurs with increasing centralisation of bargaining. In addition, bargaining regimes with predominantly company-level or local-level bargaining and those without bargaining coordination showed a greater loss in wage-related competitiveness in terms of

nominal unit labour costs. This may be because uncoordinated bargaining at company level does not follow the objective of achieving a high level of employment in the economy.

Note: * The study looked into different pay outcomes: nominal and real collectively agreed wages, nominal and real compensation per employee, nominal and real labour compensation per hour, nominal and real unit labour costs and nominal and real wage drift.

Collectively agreed wage developments

Data on outcomes of collective wage bargaining are not available for many countries. Only 14 EU countries either have databases that record such outcomes systematically or have regular surveys that enable them to report statistics on collectively agreed wage increases in the total economy. The figures are based either on a full register of the collective agreements (Belgium, Finland, Portugal and Spain) or on a sample (Austria, the Czech Republic, Germany, Italy, Malta, Slovakia, Sweden and the UK). Even though the information is not strictly comparable – the methodologies differ across countries – it gives an idea of collectively agreed wage development in each country over time.

Developments in nominal collectively agreed pay

Belgium, the Czech Republic, Finland, Portugal and Spain saw moderate increases in collectively agreed pay over 2009–2015 – in recent years, agreed wages have risen more slowly than was the case in 2010 (see Table 9). Relatively stable development of nominal collectively agreed pay increases are observed in Austria, Germany, Italy, Malta, Slovakia and Sweden. The UK has seen strong growth in collectively agreed wages after a period of moderation in the years of economic crisis.

Developments in nominal collectively agreed pay often follow (delayed) developments in GDP. This was clearly the case in Austria, Belgium, Malta and the UK. In the Czech Republic, Finland, Portugal and Spain, the slowdown in pay increases followed less positive performance of the economy. In Germany, Slovakia and Sweden, pay development was relatively stable, possibly due to relatively positive GDP growth. In Italy, collective pay increases were relatively stable despite unfavourable economic development.

Table 9: Nominal collectively agreed wage change in EU countries with available data (2009–2015)

	Source	2009	2010	2011	2012	2013	2014	2015
AT	Statistics Austria, Tariflohnindex TLI	3.4	1.6	2.0	3.3	2.6	2.3	2.2
BE	Index of Collectively Agreed Wages	2.6	0.6	2.7	3.0	1.9	1.0	0.1
CZ*	Trexima; Information System on Working Conditions	4.4	3.1	2.9	2.8	2.8	2.5	2.6
FI	Statistics Finland, Index of negotiated wages and salaries			2.0	2.9	1.4	1.0	0.3
FR	Ministry of Employment's Office for Research and Statistic; annual collective bargaining reports				2.6	1.8	1.4	
DE	WSI, Collective Bargaining Archive	2.6	1.8	2.0	2.7	2.7	3.1	2.7
IT	National Institute of Statistics (Istat); Contractual wages and salaries	1.3	2.0	1.5	1.5	1.4	1.2	1.2
MT**	Economic Survey (Ministry for Finance)	1.8	2.5	0.5	1.9	1.6	1.6	0.9

NL	Centraal Bureau voor de Statistiek (CBS, Statistics Netherlands)	2.9	1.3	1.1	1.3	1.1	1.0	1.2
PT	Bank of Portugal, Statistical Bulletin, Table H2.8: Wages: Collective agreements	2.9	2.4	1.5	1.4	1.0	1.0	0.7
SK	Trexima, Bratislava and the Ministry of Labour, Social Affairs and Family, Information System on Working Conditions	5.4	3.5	3.7	3.6	3.5	3.2	3.5
ES	Ministry of Employment, Statistics on Collective Agreements	2.2	2.2	2.3	1.2	0.5	0.6	0.7
SE	National Mediation Office	3.1	2.1	1.8	2.8	2.2	2.2	2.3
UK	Labour Research Department, the Payline database	2.4	1.8	1.8	1.0	1.0	1.5	3.0

Note: * Only agreements with nominal wage changes agreed. ** Private sector only.

Source: More detailed information on sources can be found in EurWORK's *collective wage bargaining porta*.

Developments in real collectively agreed pay

In all investigated countries, collectively agreed pay, in real terms, seems to follow developments in real GDP (see Figure 12, page 45). Following the economic crisis, all countries experienced a dip in collectively agreed wage increases in real terms. However, the timing and magnitude of this decrease varied across countries. While the growth of real wages in Sweden was maintained, the majority of observed countries saw some negative growth. The biggest dip in real wages among those countries with available data was recorded in the UK in 2011 (-2.6%); see table A3 in the annex.

Due to the economic crisis and pay moderation, in 2015, the level of real, collectively agreed pay in Malta, the Netherlands and the UK was below that of 2008.¹ Other observed countries reached or surpassed the pre-crisis level of collectively agreed pay. In the same period, Slovakia and the Czech Republic saw the highest growth in collectively agreed pay in real terms (17% and 12% respectively).

¹ The full timeline is not available for Finland and France.

Figure 12: Indices for real, collectively agreed wage change and annual change in real GDP per capita in EU countries with available data

Country	Indicator	2008	2009	2010	2011	2012	2013	2014	2015	Real wage trend
Austria	Real wage	100.0	103.0	102.9	101.3	102.0	102.5	103.3	104.7	
	GDP	100.0	96.0	97.6	100.1	100.4	100.1	99.7	99.7	
Belgium	Real wage	100.0	102.6	100.9	100.2	100.6	101.3	101.8	101.3	
	GDP	100.0	97.0	98.7	99.6	99.1	98.6	99.4	100.3	
Czech Republic*	Real wage	100.0	103.8	105.7	106.4	105.7	107.2	109.4	111.9	
	GDP	100.0	94.6	96.5	98.6	97.6	97.1	98.9	102.8	
Finland	Real wage			100.0	98.7	98.5	97.7	97.5	98.0	
	GDP	100.0	91.3	93.6	95.5	93.7	92.6	91.6	91.8	
France	Real wage				100.0	100.4	101.2	102.0	102.0	
	GDP	100.0	96.6	98.0	99.6	99.3	99.5	99.2		
Germany	Real wage	100.0	102.4	103.1	102.6	103.2	104.3	106.7	109.5	
	GDP	100.0	94.7	98.8	102.4	102.6	102.6	103.9	104.8	
Italy	Real wage	100.0	100.5	100.9	99.5	97.8	97.9	98.9	100.0	
	GDP	100.0	94.0	95.2	95.4	92.3	90.2	89.7	90.5	
Malta**	Real wage		100.0	100.5	98.5	97.3	97.9	98.6	98.4	
	GDP	100.0	96.8	99.7	101.2	103.3	106.5	109.4	115.3	
Netherlands	Real wage	100.0	101.9	102.3	100.9	99.4	98.0	98.6	99.6	
	GDP	100.0	95.7	96.6	97.7	96.4	95.6	96.2	97.7	
Portugal	Real wage	100.0	103.8	104.9	102.7	101.3	101.9	103.2	103.4	
	GDP	100.0	96.9	98.7	97.1	93.6	93.0	94.4	96.2	
Slovakia	Real wage	100.0	104.5	107.4	107.0	106.8	109.0	112.6	116.8	
	GDP	100.0	94.3	98.8	102.2	103.6	105.0	107.5	111.2	
Spain	Real wage	100.0	102.4	102.6	101.9	100.7	99.7	100.5	101.9	
	GDP	100.0	95.6	95.2	93.9	91.3	90.2	91.6	94.6	
Sweden	Real wage	100.0	101.2	101.4	101.8	103.7	105.6	107.6	109.4	
	GDP	100.0	94.0	98.8	100.7	99.7	100.1	101.4	104.4	
United Kingdom	Real wage	100.0	100.2	98.7	96.2	94.5	93.0	93.0	95.8	
	GDP	100.0	95.1	95.8	96.8	97.3	98.8	100.8	102.3	

Note: Whole economy, 2008=100 with exception of real wage in Finland, France and Malta. * This calculation only included agreements in which nominal wage changes were agreed. ** Private sector only.

Source: See Table 9, page 43; GDP growth as reported by Eurostat on 23 May 2016. The real wage development was calculated using the HCIP as reported by Eurostat.

Developments in collectively agreed pay across sectors

Figures 3 to 15 show the development of collectively agreed nominal wage increases over time by sector. The demarcation of sectors differs between countries because their databases are organised differently. In each graph, only the sectors with highest and lowest wage increases are highlighted.

Manufacturing had one of the highest pay growths in Italy, the Netherlands, Portugal and the UK. In many countries, where wages in public administration are settled by collective bargaining (Belgium, Italy, Spain and the UK), this sector has recently shown relatively slower wage growth. In the UK, public administration started to catch up in 2012 after a period of stagnation that began in 2009. In Italy, measures introduced in 2008 that aimed at reducing public expenditure froze collective bargaining and wage increases in the public sector. In contrast, in Sweden the municipal, county and state sectors showed higher growth than other sectors observed.

The level of divergence between sectors varies across countries – see Figure A1 in the annex. As summarised in Table 10, large differences occur in wage development between sectors in Italy, Slovakia, Spain and the UK (and also in France, which has a shorter time series available). By contrast, wage development was very similar across sectors in Portugal and Sweden (and in Finland, which has only shorter time series available).

Table 10: Sectoral dispersion in collectively agreed pay

AT	BE	CZ	DE	ES	FI	FR
7.5%	4.4%	8.1%	5.0%	9.4%	2.2%	7.3%
IT	MT	NL	PT	SE	SK	UK
20.3%	3.3%	3.0%	2.7%	3.0%	17.8%	14.7%

Notes: The difference between sectoral pay increases (measured as a cumulative index with base being 100 in the starting year) was measured relatively to the value of the sector with the lowest index. Belgium, Finland, France and the Netherlands have a shorter time series.

Source: Network of European Correspondents.

Statutory minimum wages 2016

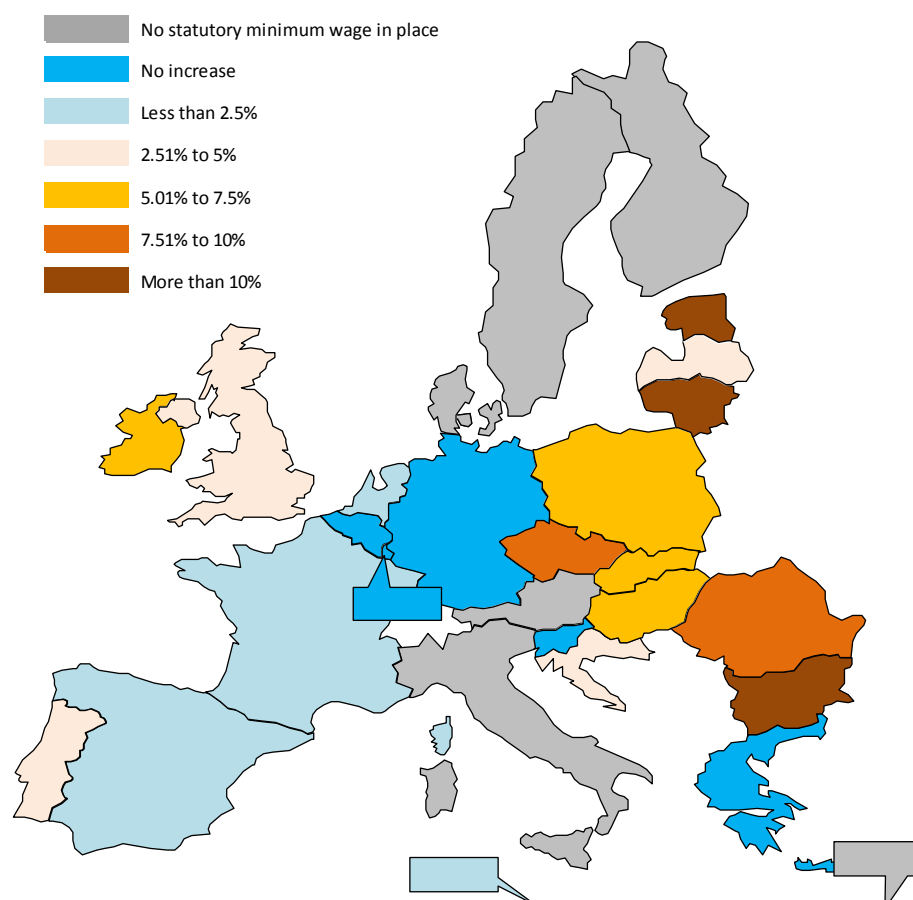
Minimum wages follow the return to economic growth

Increases in the minimum wage across the EU were very moderate during the financial crisis and many countries froze any growth during that economically turbulent period. **Europe saw improving economic performance** in 2015 and the economic growth in 2016 is predicted to be the strongest since 2007 (see Figure 13, page 47). The most recent increases in minimum pay reflect an improving economic environment. In 2015, the highest increases (by more than 10%) took place in Bulgaria, Estonia and Lithuania. Romania plans a significant increase (by 19%) in May 2016. Increases over 5% took place in 8 of the 12 new Member States that have a generally applicable statutory minimum wage.

However, this (comparatively) high growth has to be seen in the context of considerably lower minimum wage rates in a majority of the new Member States. The rates greatly vary among European countries, reflecting the differences in their levels of economic development and pay. With monthly rates of less than €300, Bulgaria and Romania have the lowest minimum wages in the EU. Luxembourg is on the other side of this spectrum, with a monthly rate of almost €1,923 – about nine times higher than the Bulgarian rate.

During 2015 and as per 1 January 2016, minimum wages were not increased in Belgium, Germany (where minimum wage was introduced in 2015), Greece, Luxembourg or Slovenia. In Belgium and Greece, no change has taken place since 2012. In Belgium, the automatic indexation of the minimum wage was skipped in order to decrease the wage gap with neighbouring countries and to increase the competitiveness of the economy. In 2012, the Greek government passed a law according to which the statutory minimum wages will remain unchanged as long as the Fiscal Adjustment Programme(s) is being implemented.

Figure 13: How much did the level of statutory minimum wage increase between 1 January 2015 and 1 January 2016?



Source: EurWORK national correspondents.

Introduction of statutory minimum wage and national living wage

The statutory minimum wage was most recently introduced in Germany, in 2015, partly as a reaction to the decline in collective bargaining coverage. This has triggered discussions about introducing a statutory minimum wage in other EU countries (such as Denmark and Italy), but so far this has led to few tangible actions. One year after the introduction of the minimum wage in Germany, **the evidence suggests** that millions of workers have benefited from it without the predicted negative impacts on the labour market.

In the UK, the National Living Wage was introduced, which effectively provides a higher level of statutory minimum wage for those aged 25 years or more. The then Chancellor of the Exchequer, George Osborne, declared that **Britain deserved a pay rise** after years of austerity. However, the Office for Budget Responsibility forecast that the measure could cost 60,000 jobs. Some older workers could also be replaced by those aged under 25 years old, who will be cheaper to employ, but the Treasury dismissed these warnings. The UK debate is being closely followed in Ireland, where similar measures are being discussed.

Distribution of wages in Europe, 2004–2011

Eurofound (2015d) addressed developments in the distribution of wages in Europe between 2004 and 2011. The findings showed that Latvia, Portugal and the UK have the most unequal pay levels in the EU. While overall EU wage inequality decreased from 2004 to 2008, it started to increase again following the onset of the crisis, mostly due to within-country inequality.

Before 2008, the EU also saw convergence in national wage levels, mostly driven by eastern European Member States catching up and wages stagnating (or decreasing) in Germany and the UK.

Once the crisis began, average wage levels dropped significantly in the eastern Member States but after this began to grow again. Southern European countries experienced a drop in both nominal and real terms. Eurofound (2015d) showed that wage inequality trends varied between Member States. The most common pattern was cyclical, with wage inequality increasing up to 2008 and decreasing afterwards. In many eastern Member States, wage inequality decreased throughout the whole period 2004–2011. In France and particularly in the UK, wage inequality rose consistently during this whole period. Collective bargaining has been found to have a compressing effect on wages, with those sectors with higher coverage of bargaining seeing lower levels of wage inequality.

Summary

Even though, as per Article 154 of the Treaty on the Functioning of the European Union (TFEU), wage setting is outside the remit of the EU, the influencing, or coordination, of wage setting continued in the EU in 2015. Several countries were recommended by the European Commission – via the country-specific recommendations – to give more weight to company-level collective bargaining to allow closer alignment between wage growth and productivity and to reform their wage-setting system. Five countries got recommendations relating to the minimum wage.

In 2015, sectoral/industry level and company level both emerged as the levels at which most decisions were made regarding wage changes in most EU countries. Company level – and to a lesser extent sectoral /industry level – were the most predominant levels in terms of coverage.

Large variations occur in the level of nominal hourly wages and salaries across European countries. Belgium, Denmark and Luxembourg top the list while Bulgaria, Lithuania and Romania are among those with the lowest pay levels in the EU. Only a limited convergence of pay level between low-pay and high-pay countries was observed over the last seven years (2009–2015). The countries that saw the highest growth in nominal hourly wage were Bulgaria, Estonia and Slovakia, while Cyprus and Greece were the only two countries observing a decrease compared to 2008. In terms of real collectively agreed pay, in 2015 the majority of observed countries (9 out of 12) surpassed their pre-crisis pay level. Malta, the Netherlands and the UK were the only countries where collectively agreed pay increases did not fully compensate for decreases that took place after 2008. Regarding the growth of collectively agreed pay per sector, Italy and Slovakia saw the biggest divergence between sectors from 2008 to 2015.

The year 2015 also saw considerable growth in statutory minimum wages, especially in low-pay countries. High-pay countries experienced a more reserved growth of the minimum wage. During 2015 and as per 1 January 2016, minimum wages were not increased in Belgium, Germany (where minimum wage was introduced in 2015), Greece, Luxembourg and Slovenia. In Belgium and Greece, no change has taken place since 2012.

Read more from EurWORK on pay.

Eurofound publications 2015:

[Pay in Europe in different wage-bargaining regimes](#)

EurWORK topical updates 2015:

[Controversy over German minimum wage for international truck drivers](#)

[Public sector pay and collective bargaining: Pay restoration or new perspectives?](#)

[Statutory minimum wages in the EU 2016](#)

Social Europe Journal

[Minimum wages resume growth – largely](#)

6. Working time

Working time is one of the most important areas of employment policy, where the EU has intervened through legislation to improve working conditions and the health and safety of workers, in line with its commitment to ‘more and better jobs’.

The central piece of regulation in the EU on working time is the [Working Time Directive 2003/88/CE](#), which sets minimum standards on average duration, rest breaks and annual leave that Member States are required to ensure, so as to protect workers’ health and safety. Over the past five years, the Commission has been engaged in reviewing the Directive, starting with a two- staged consultation in 2010, followed by social partner negotiations under Article 155 of the TFEU in 2012.

Developments at EU level

It is now up to the European Commission to make a decision based on its review work of the directive. In 2014, it launched two further impact assessment studies, but results were not available during 2015. Between December 2014 and March 2015, the European Commission also held a [public consultation](#) (including social partners) on the Directive. The main purpose of this consultation was to gather insights and contributions from the public in the context of the ongoing review and impact assessment process and possible changes to the Directive. Within REFIT – the European Commission’s Regulatory Fitness and Performance programme – a proposal is scheduled for 2016 to clarify and simplify legislation on **working time** is under consideration. The preparatory work will involve clarifying and simplifying the legal framework on working time, updating the rules to accommodate challenges arising from new working patterns and continuing to provide appropriate **health and safety protection** for workers, taking into account the objective of improved reconciliation of work and private life.

What counts as working time? The issue of travel time to work

Considerable media interest, and subsequent responses from social partners, was triggered across Europe following the European Court of Justice (ECJ) ruling of 10 September 2015 on travelling time to work for workers without a fixed and habitual place of work ([C-266/14](#)). The case was brought to the court by the National High Court of Spain, which held that there may be a discordance between Spanish legislation and the European Working Time Directive (2003/88/EC). Two companies within the security sector had shut down their regional offices, so their workers had to commute from their homes directly to the client’s premises. This change led to an increase in the amount of time workers spent travelling to and from work; in many cases they had to travel up to 100 kilometers. However, the companies concerned did not count employees’ journeys between their home and the client’s premises as working time. The ECJ subsequently ruled that journeys made by workers without a fixed or habitual place of work between their home and their first and last customer of each day constitutes working time. It took the view that workers are at the employers’ disposal during such journeys and that the place of work of a worker cannot be reduced to the physical premises of the employer’s customers. As it was the employers’ choice to close their regional offices, the ECJ argued that it would be contrary to the objective of protecting the safety and health of workers pursued by the working time directive.

The Workers’ Commissions CCOO (Confederación Sindical de Comisiones Obreras), which initially filed the case, was satisfied with the ruling, considering that it could benefit many European workers under these conditions. Media interest was highest in the UK, where workers can individually opt out from the working time directive; one consequence of the ruling might be that more workers there will be asked to do so (see [UK reactions, summarised by CIPD](#)). By and large, trade unions across Europe were satisfied with the ruling, while employers feared higher costs and expressed reservations at EU level.

Working time developments

In 2015, Europeans on average ‘usually’ worked 37.1 hours per week – slightly down from 37.8 hours in 2008 (see Table 11). The observed reduction affected both men (from 41.0 to 40.1 hours) and women (from 33.9 to 33.6 hours) alike. This small decrease in usual working hours was the result of two factors: a decrease in the hours of those working full-time and an increase in the share of part-time workers. (More detail on the development of part-time and full-time employment is provided in chapter 1, ‘Economic and labour market context’.)

Regarding total working hours for all workers, there is a general trend towards convergence in working hours across countries. However, the process is slow and the number of hours usually worked remains diverse across countries (Eurofound, 2016b). Put simply, and with some exceptions, people in central and eastern European Member States and southern Member States, tend, on average, to work longer hours than those in EU15, Sweden and Finland.

Table 11: Usual weekly working hours, EU28 in 2008 and 2015

	2008	2015
Total	37.8	37.1
Full-time	41.7	41.4
Part-time	19.9	20.2
Men	41.0	40.1
Women	33.9	33.6

Source: Eurostat, Labour Force Survey, lfsa_ewhun2, extracted 20 May 2016.

The European Working Conditions Survey (Eurofound, 2015e) found that the majority of the workforce (58%) was satisfied with working time in their main job. Taking into account their own economic needs, another 28% reported they would like to decrease their hours, while 14% preferred to increase them. Not surprisingly, there is a clear link between usual working time and the worker’s expressed preference: those with very long working hours were far more likely to state that they preferred a decrease, while those working shorter hours preferred an increase (see Eurofound, 2015e, p. 4). More detailed information will be available in the forthcoming overview report of the sixth European Working Conditions Survey (Eurofound, 2016d forthcoming).

Involuntary part-time work has been consistently on the rise, with the share of part-time workers reporting to be not satisfied with their hours rose from 22.7 to 29.2 between 2006 and 2015. Involuntary part-time work increased most significantly in countries affected strongly by the economic crisis: Cyprus, France, Greece, Hungary, Ireland, Italy, Portugal, Slovakia, Spain and the UK. It decreased in the Baltic states, Belgium, Bulgaria, Germany and Malta. In most countries, this was connected to the higher growth of part-time employment among men, with the share of involuntary part-time male workers rising higher than that of female workers. But the proportion of involuntary part-time female workers also grew significantly. The Czech Republic and Malta are the only Member States in which the proportion of involuntary part-time workers fell among women, but grew among men.

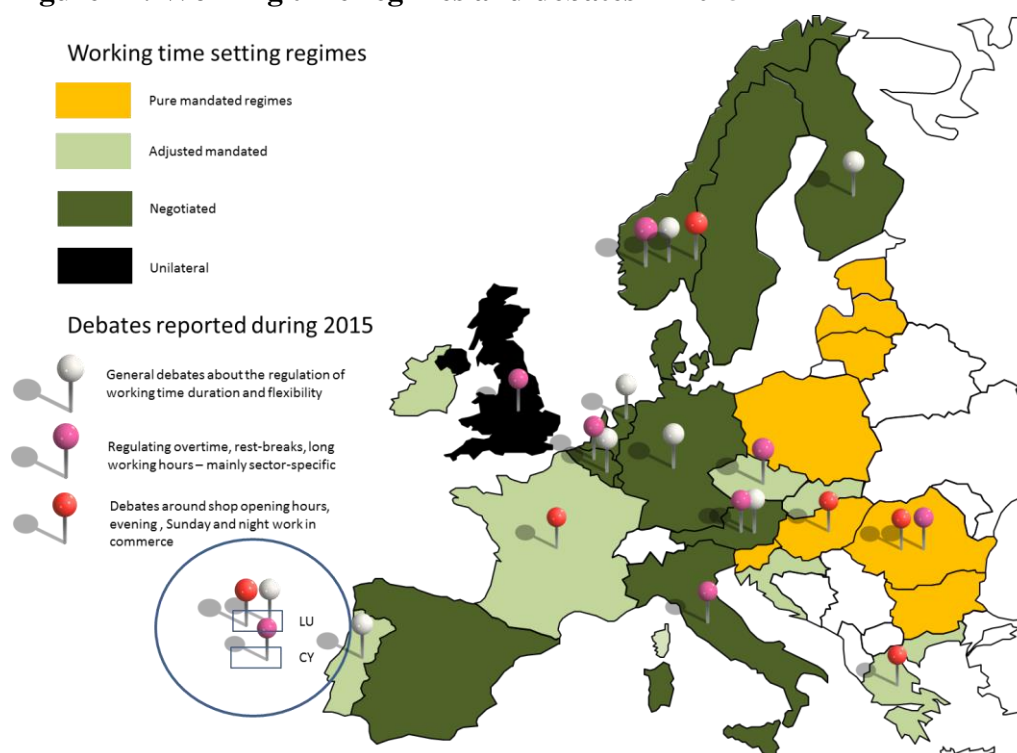
How working time is established across Europe

Working time is established in many different ways across Europe, as a recent report shows (Eurofound, 2016b). There is a high degree of complexity involved, because within Member States, sectors can and often do deviate from the norm. Despite these complexities, the Eurofound report (2016b) came up with a typology of ‘working time setting regimes’, which classifies countries into one of four types of ‘dominant’ regimes, based on full-time work and focusing on duration rather than organisation of working time (see Figure 14). Most central

and eastern European Member States fall into the ‘pure mandated’ regime, in which working time is mainly set by law; government has therefore been ‘mandated’ to do so. In countries with an ‘adjusted mandated’ regime, working time is also set by law, but social partners are involved in the process, and working time can be adjusted through negotiations at different levels. In Member States with a ‘negotiated’ regime, working time is predominantly negotiated bilaterally between social partners, most often at sectoral level. The UK is the only country that falls into the ‘unilateral’ regime; there, working time is predominantly set ‘unilaterally’ in employment contracts between individuals and their employer.

The Eurofound (2016b) report showed that the longest working hours are to be found in the UK and in countries with a ‘pure mandated’ regime. Countries with a ‘negotiated’ regime have on average the shortest working hours.

Figure 14: Working time regimes and debates in 2015



Source: Eurofound (2016b) for information on working time regimes; EurWORK quarterly reports for information on debates.

National developments

This section summaries information reported by Eurofound’s network of European correspondents throughout 2015. In Figure 14, the different pins mark the nature of these debates, where the distinction is made between more general debates about the duration of working time and working time flexibility, and cases where new (often sector-specific) regulations were proposed or introduced regarding long working hours, overtime or rest breaks.

This section ends with a short summary of developments in regulation of unsocial working hours, mainly in connection with the relaxation of shop opening hours.

General debates about working time duration and flexibility

Reports from correspondents during 2015 recorded debates about the duration of working time in several Member States (see Table 12): these were either about new regulations, such as in Austria, Belgium, Finland, Germany, Luxembourg or in Norway, where a relaxed

working time regulation came into force in 2015. In addition, the ongoing issue about the re-introduction of the 35-hour week in the Portuguese public sector seems to have reached an important turning point in 2015.

Table 12: Examples of debates about working time duration and flexibility

<p>Austria: Disagreement over working time daily limits, annual leave and length</p> <p>The debate began in the context of legislation proposed in the second quarter of 2015 on which social partners could not agree. The main points of contention included extension of the daily working time limit to up to 12 hours under certain circumstances (with regard to business trips and in companies with flexi-time regulations allowing the consumption of time credits in the form of whole days off), as well as disagreement over easing access to a sixth holiday week. Unions started campaigning for a general reduction in statutory working time – against the background of increasing unemployment – asking for easier access to a sixth holiday week and arguing for a reduction in overtime hours. Employers argued that economic growth was a matter of flexibilisation of working time rather than a general reduction of working hours. At the end of 2015, no new developments were recorded – apart from the 12-hour limit with regards to travelling time, which has since been put into law.</p>
<p>Belgium: Trade unions propose reduction of working time for older workers</p> <p>In August, the three main unions (FGTB/ABVV, CSC/ACV, CGSLB/ACLVB) proposed that employees could benefit from a ‘tax shift’ that lowers social security contributions. The proposal involves a reduction in working time from 38 hours to 32 hours, and compensatory recruitment, maintaining the same income for the employee and keeping costs neutral for employers who are compensated by social contributions. This could benefit older workers, while aiming to promote youth employment.</p>
<p>Luxembourg: Tripartite discussions on working time postponed</p> <p>In early 2015, social partners and the government agreed to engage in tripartite discussions about the modernisation and flexibilisation of working time in the context of the National Plan for Employment (<i>Plan national pour l’emploi, PAN</i>). The main union confederation, OGB-L, asked for: a sixth week of annual leave; an increase in the participation of employees in the working time organisation at company level; and the reference period of the weekly working time to be limited to one month. The employer organisation UEL denounced a ‘catalogue of horrors’ and asked for the extension of the reference period to four months, to preserve the competitiveness of companies. By the end of October, government decided to postpone the negotiations and to maintain existing regulations for one year.</p>
<p>Germany: Employers call for change of Working Time Act, triggering wider debate</p> <p>The German Confederation of Employer Organisations (BDA) initiated a debate by calling for an amendment of the Working Time Act. BDA proposes substituting the statutory eight-hour working day by an overall weekly working time, arguing that working time regulation will have to adapt to changes in work organisation and digitalisation. Labour Minister Andrea Nahles rejected the proposal. Trade unions have argued that giving up the eight-hour day risks the erosion of any daily limit to working time. They have also contributed to debates on working time. IG Metall addressed the issue at its trade union congress in October, at which it put the following issues on its agenda for the next few years: greater autonomy in defining working time; reduction in overlong working hours; and payment of overtime and equal conditions in east and west Germany. ver.di was the first trade union to come out with a new working time concept. It is calling for ‘short full time for all’ – a reduction in the standard weekly working hours, with part-time workers working more hours and full-time workers working fewer hours. In addition, each worker should have the right to 14 extra paid days of leave. The leave days are unconditional (not tied to care or training obligations), but could be regulated by works agreements or collective agreements.</p>

Finland: Government proposes increase of working hours

In Finland, in contrast to the trend witnessed in other countries, during government formation talks in early May, the new Prime Minister Juha Sipilä (Centre Party) proposed an **annual increase of 100 working hours** per employee, as part of the ‘social contract’ the government seeks to reach with the social partners. The proposal was part of its efforts to improve Finnish competitiveness and originally stemmed from the Confederation of Finnish Industries (EK). Opinion polls have indicated that the idea splits the population in half, with different polls showing some 30%–50% both for and against it. Labour unions have been sceptical about the proposal. The largest union within the private sector for clerical employees, Trade Union Pro, warned that long working hours can entail decreased productivity per working hour. In the end, the social contract – now renamed the ‘competitiveness pact’ – was agreed upon by the peak-level social partners in February 2016 and proposed an annual working time extension of 24 hours without additional compensation.

Norway: More working time flexibility and longer working hours possible

The **amended Working Environment Act**, which came into force on 1 July 2015, made working time more flexible, and longer working hours possible. It increased limits for weekly and monthly overtime work, as well as maximum daily working hours, when working time is calculated as an average. Individual employees can now make arrangements with the employer to work 10-hour shifts (previously 9 hours). Local unions can agree to 12.5-hour shifts (previously 10 hours) and 20 hours of overtime per week (previously 15 hours). Employees can also work for more consecutive days, with longer breaks in between these periods.

Portugal: Return to 35-hour week in the public sector

The austerity-related increase of working time in the public sector from 35 to 40 hours per week was a major point of contention since 2013. While trade unions and municipalities negotiated around 500 collective agreements on the return to a 35-hour week, the centre-right government claimed the right to interfere and blocked their publication on the grounds of Law 35/2014.

The year brought an end to the dispute, when on 7 October 2015 the Constitutional Court declared that government interference in the negotiation of collective agreements between trade unions and local administration was unconstitutional. Following the binding decision of the Constitutional Court (Judgment 494/2015), those collective agreements negotiated between trade unions and municipalities on the return to the 35-hour week began to be published. This was followed by the public sector trade unions demanding a return to the 35-hour week for all employees in the public sector and asking, in October 2015, that the leftwing parties in majority in the parliament approve a law to that effect, as they had promised during the general elections.

Source: EurWORK quarterly reports from the Network of European correspondents.

Regulating long and unsocial working hours

Long working hours are associated with an increased risk of accidents. Wagstaff et al (2011) reviewed more than 7,000 studies and found that work periods of 12 hours carry double the risk of accidents than work periods of 8 hours. This is particularly relevant for sectors such as transport and healthcare, and particularly important for those who work shift work, including irregular periods of night-work.

Long working hours, overtime and adequate rest-breaks therefore continue to be the subject of regulation. Some quarterly reports coming mainly, though not exclusively, from countries with ‘mandated’ working time regimes highlight breaches of such regulations, or attempts to improve legislation. Findings from Eurofound (2016b) also suggest an increase in unregulated overtime and growing concern from trade unions about the difficulty to monitor and enforce compliance.

In January 2015, the **Czech Republic** was criticised by the Council of Europe's **European Committee of Social Rights** (ECSR) for its inappropriate legislation on overtime work. The statutory regulation of overtime work, when there is an option to work several consecutive days' overtime and without sufficient time for rest (eight hours in one day), has been evaluated by ECSR as inadequate and in conflict with the European Social Charter. The Ministry of Labour and Social Affairs (MOLSA) took some time **to express its opinion** as they needed to study the material more in detail. No legislative changes have been introduced in this area to date. In **Romania**, the government adopted a new law to stop abusive interpretations of limiting employee rights to a weekly break (Law 97/2015). In **Slovenia**, the 2014 report of the labour inspectorate pointed to a rapid increase in violations of working time, especially regarding rest and break periods. Inspectors found 563 violations of working time in that year, mostly on the organisation of working time (364 offenses) and the failure to comply with provisions defining overtime work (185 violations).

Most new regulations and debates around the issue of long working hours, as reported by the correspondents, are sector-related – with healthcare and commerce/retail being the main 'hotspots'.

Regulating working time in the healthcare sector

Debates and disputes over new working time regulations within the health sector have been on the agenda for some time – not least those related to efforts to bring the national sector-specific regulation in line with EU law (recent examples of this include **Austria** and **Italy**). Two of the most recent working-time related disputes relating to pay began in November 2015 in **Cyprus** and the **UK**. In **Cyprus**, public sector nurses refused to do overtime in relation to a dispute over the level of compensation for on-call time. In the UK, in November 2015, **junior doctors went on strike** in relation to an extension of 'social core hours', which would be paid at increased basic rates, and not as overtime. The conflict was still ongoing in the first quarter of 2016. This case shares some characteristics with the **Austrian case**, in which the new working time law in the healthcare sector reduced maximum working time, which had an impact on take-home pay. While the law was passed in 2014, the debate continued in its aftermath, mainly involving representatives of doctors requiring an increase in basic pay levels.

A new regulation on rest breaks and the maximum length of average weekly working time (Art 14, Act no. 161/2014, effective as of 25 November 2015) was a **cause of contention in Italy**. Although unions are in favour of the new limits, they argued that the recruitment of new staff is necessary in order to avoid hospitals trying to elude the regulation or a severe drop in the quality of services. Finally, **in Norway**, a case was brought to the European Free Trade Association (EFTA) court regarding whether long working hours in a cohabitating child welfare institution complied with the EU directive on working time. The court finally ruled in favour of the employer. An 84-hour work week in cohabitant care is thus legal, provided that employees consent and that their health and safety are ensured.

Regulating working time – unsocial working hours in commerce

Most of the 2015 debates around unsociable working hours were connected to wider debates on the extension of shop-opening hours, Sunday work in particular. While there seems to be a trend towards relaxation of opening hours, it is by no means a very clear and straightforward one. In several countries in 2015, options regarding Sunday, evening or night work in commerce were extended or debates were initiated on the subject. This was the case in **Luxembourg** (Sunday shopping for artisans and retailers in Luxembourg City), **France** (the 'law Macron', introducing the option for longer opening hours in tourist regions) and the UK (proposal to open larger stores on Sundays). In **Belgium**, social partners bargained about the extension of night work in e-commerce. In **Romania**, a court ruling addressed compensation of employees in shopping centres when they work on statutory holidays. In other cases, however, the recent extension of Sunday opening hours has been halted or even reversed, not least due to social partners concerns. In **Greece**, the government abolished a regulation of

2013, which allowed for Sunday trading except in tourist areas. In **Norway**, a new proposal on extending Sunday opening has been shelved a second time following social partner opposition. Finally, **Hungary** is an exceptional case, with social partners opposing the government's ban of Sunday trading among large retailers.

Summary

At European level, 2015 was a comparatively 'silent' year in terms of working time debates: no significant breakthroughs were recorded around the revision of the working time directive. The review and consultations are still ongoing and results are expected in the coming years. An ECJ ruling on the travelling time to work for workers without a fixed place of work probably triggered the highest level of interest in this issue.

At national level, 2015 saw a significant amount of 'general debates' about working time; notably, these almost exclusively took place in countries with a 'negotiated working time' regime. This highlights the role of social partners in drawing attention to this topic and steering the debate in these countries. In the context of shorter working hours in such 'negotiated working time regimes, the debates centre around demands for a reduction in working time (from the trade union side), either instead of or in addition to the introduction of greater flexibility for both employees and employers. The scope of these debates may have expanded beyond daily or weekly statutory limits to a more working-life-oriented perspective.

Reduction of working time as a means to reduce unemployment featured in debates in at least two Member States (Austria and Belgium), but altogether was not very prominent. There were some examples, however, of debates around increasing working hours. Both subjects were debated in the context of new governments and as a response to economic difficulties (such as in Finland) or in the context of a need to mobilise more people into labour and into full-time employment, as well as a need for more flexible regulations (such as in Norway).

The 2015 reports from the correspondents also included examples of new regulations to address longer working hours and to better regulate overtime or weekly breaks. These mainly came from countries where the state has a greater role to play in the regulation of working time (such as the Czech Republic, Romania and Slovenia). Cases of regulation of long working hours and overtime are mainly sector-specific and relate to those sectors that, by nature, often require work to be done during unsocial hours, typically healthcare and retail. The extension of shop opening hours and the related regulation of working time continue to be contentious issues in several countries, with considerable social partner involvement in the debates. Examples from 2015 show that there is no clear trend towards relaxing opening hours, with some country-specific examples suggesting that such proposals are either not going ahead (Norway), or that regulation that had been introduced was being abolished (Greece and Hungary). Many of these general and sector-specific debates are ongoing and can be expected to continue in 2016.

Read more from EurWORK on working time.

Eurofound publications 2015:

[Opting out of the working time directive](#)

[Working time developments in the 21st century: Work duration and regulation in the EU](#)

EurWORK topical updates and articles:

[ECJ rules that travel time is treated as working time](#)

[Policies to improve work–life balance](#)

[Doors opening for more Sunday work in the EU](#)

Social Europe Journal:

[Ars longa, vita brevis: Key role of collective bargaining in establishing EU working time standards](#)

7. Individual employment relations

Standard employment relations are the reference point for labour and social protection rights. Non-standard forms of employment involve more limited labour and social rights. It is therefore of utmost importance to monitor their development and study the various policies and actions targeting them.

The heterogeneous category of ‘atypical forms of employment’ principally refers to work contracts with a different length than a standard employment relation contract – such as a ‘fixed-term’ or ‘temporary agency work’ contract. It also includes non-full-time jobs, such as part-time work. In recent years, other employment relations, distinct from both standard and atypical employment relations, have also developed.

Drawing on Eurofound research (2010b and 2010c), very atypical forms of employment have been identified and studied. This category comprises specific contractual arrangements – short fixed-term contracts of less than six months and employment without formal written contracts – and specific ways to organise work, especially working time – very short part-time contracts (less than 10 hours per week), ‘zero hours’ contracts or on-call work, where workers can be called on at short notice to go into work. It also includes any ‘other forms of employment that are considered as being “very atypical” in a certain country’. Thus, very atypical forms of employment are mainly defined in contrast with the ‘more traditional’ employment relations. In fact, they are mainly defined as contractual arrangements not subject to the patterns, rights and obligations of standard employment (open-ended full-time at the employer’s premises) or even of the ‘more traditional atypical’ employment relations (such as part-time hours, fixed-term, agency work).

Pursuing its mapping exercise on labour market developments, in 2015 Eurofound research highlighted various new forms of employment across Europe. This includes nine broad types of ‘new employment forms’: employee sharing, job sharing, interim management, casual work, ICT-based mobile work, voucher-based work, portfolio work, crowd employment and collaborative employment. The focus here is less on the formal contracts used and more on the way work is organised and the economic activity being contracted (Eurofound, 2015g).

Atypical forms of employment have developed across Europe, with noticeable differences among specific Member States. Policy responses have also been very diverse, built along different lines depending on the institutional, economic and historical context.

In 2015, growing awareness regarding the issue of non-standard employment can be observed, illustrated by a series of policy responses. While not necessarily obvious ‘improvements’, these were, at least, manifestations of a political will to curb the extent of abuse associated with atypical work arrangements.

Developments at EU level

In 2015, employment regulations were under scrutiny as part of the European Commission’s Regulatory Fitness and Performance Programme (REFIT). The programme’s main aim is to ensure that EU legislation remains fit for purpose and delivers the results intended by EU law makers (COM (2015) 215 and COM (2014) 910, Annex 3). During 2015, several directives were evaluated, including Directive 91/533/EEC on the **employer’s obligation to inform employees** of conditions applicable to the contract or employment relationship (which had never before been thoroughly evaluated). An evaluation of Directive 2008/533/EEC **on temporary agency work** was carried out in 2014; the Commission decided that amendments to that Directive are not necessary, but it will work with Member States to ensure proper implementation of the directive on temporary agency work. Also under evaluation are Directive 97/81/EC concerning the framework agreement on **part-time work** and **Directive 1999/70/EC** concerning the framework agreement on **fixed-term work**, which established minimum requirements relating to fixed-term work.

During turbulent economic times, the EU has promoted the conclusion of atypical contracts and flexible contractual arrangements to support employment creation. In order to address issues such as working conditions, economic vulnerability and fair competition, European institutions have reaffirmed European standards; examples of this from 2015 can be found in the European Court of Justice cases regarding **fixed-term contracts** and **posted workers**.

In 2015, tackling **undeclared work** continued to be an important issue on the European agenda. Undeclared work is defined in **EU Law (COM/20070628)** as ‘any paid activities that are lawful as regards their nature but not declared to public authorities, taking into account differences in the regulatory system Member States’.

The person who performs undeclared work is deprived of protection stipulated by labour law and is exposed to precarious and even dangerous work, without social protection or the rights of an employee. In 2014, a draft decision of the European Parliament on enhanced cooperation in the field of undeclared work (COM (2014) 0221) was submitted, generating a series of debates during 2015. The Committee on Employment and Social Affairs drafted a series of **amendments (PDF)**, especially from the perspective according to which ‘enforcement must be coupled with proactive enabling policies and measures targeted towards the regularisation of jobs that remain undeclared, such as income tax, tax reduction and subsidy schemes’. Among the amendments put forward by the Committee on Employment and Social Affairs, of particular interest is that of broadening the scope of action to include falsely declared work as well as undeclared work. Falsely declared work refers to paid activities that are lawful as regards their nature, but are not declared correctly to public authorities. This led to the **Decision (EU) 2016/344 on establishing a European Platform to enhance cooperation in tackling undeclared work** adopted in March 2016, with the official launch taking place in Brussels on 27 May.

Trends in development of atypical forms of employment

There are no fully comparable data at EU level about all atypical forms of employment. A fairly comparable picture can be obtained about common atypical forms of employment, such as fixed-term, part-time, and temporary agency work (TAW). However, systematic data collected in the same way across all EU Member States, on the posting of workers, undeclared work, bogus self-employment and other very atypical forms of employment are not available. For this reason, and in order to obtain some estimate of the prevalence of certain atypical forms of employment and their development, this section uses information available at EU level, including data from studies or assessments conducted before 2015.²

Fixed-term employment accounts for approximately 14% of all employment in the EU28 and 8% in Norway. During the last decade, the share of workers with fixed-term contracts in the EU28 has slightly decreased (from 14.6% in 2007 to 14.2% in 2015).

Fixed-term employment is most prevalent in Poland (28%), Spain (25%), Portugal (22%), and the Netherlands (20%); and least prevalent in the Baltic countries (Estonia, Latvia, Lithuania, 3%) and Romania (2%). The biggest changes in 2007–2015 were observed in Spain (decreased from 32% to 25%), Cyprus (increased from 13% to 19%) and Slovakia (increased from 5% to 11%).

Temporary agency work (TAW) appears to be one of the least prevalent atypical forms of employment in Europe, yet it is becoming more popular; Eurostat data show that in 2013 there was a total of 3.6 million temporary agency workers in the EU28, accounting for approximately 2.1% of the total number of employees, compared to 1.5% in 2008. It should be noted, however, that this figure hides significant national differences among EU countries. In some countries (like France and the UK), the use and regulation of TAW is well

² In 2015, Eurofound developed a project ‘Inequalities in working conditions; fraudulent forms of contracting work and self-employment’, aiming at mapping the use of fraudulent forms of work around Europe and the policies and actions for combatting this phenomenon. This project continued into 2016; outcomes should be published in 2016 and in 2017.

established and the share of TAW workers fluctuates around 3%, whereas other countries have a very small share of employees engaged in temporary employment agency activities (for example, 0.1% in Bulgaria and Latvia).

In the 2014 Special Eurobarometer Survey 402, '[Undeclared work in the European Union \(PDF\)](#)', around 10% of respondents in the EU27 were involved in **undeclared work** from the demand side (they acquired undeclared goods or services) and 4% were involved from the supply side (they carried out undeclared paid work). Comparing these figures to those from the Eurobarometer Survey conducted in 2007 shows that the situation remained unchanged between 2007 and 2014; in 2007, the same indicators stood at 11% and 4%. Among countries declaring the highest rates of undeclared work were Estonia, Greece, Latvia and the Netherlands.

Part-time work remains one of the most prevalent non-standard working arrangements in Europe. According to Eurostat data, part-time employment in 2015 accounted for approximately 20% of total employment, with great diversity between Member States, as shown by the various waves of the fifth European Working Conditions Survey (EWCS) (Eurofound, 2012). The figure is higher in the EU15 and Norway than it is in the Member States that joined after 2004 (EU13). Part-time employment is most prevalent in the Netherlands (50%), Austria (27%) and Germany (27%). Among the EU13, the highest part-time employment rates are found in Malta (16%), Cyprus (14%) and Slovenia (10%).

Part-time work rates grew throughout the last decade. The biggest growth rates took place in Cyprus, where it went from 6% in 2007 to 13% in 2015, Ireland (from 17% to 22% in the same period) and Austria (from 22% to 27%).

Atypical forms of employment can very often obscure underemployment. For example, according to a [Eurostat study released in April 2015](#), among the 44.1 million people working part-time in the EU in 2014, 9.8 million were 'under-employed', meaning they wished to work more hours and were available to do so. This corresponds to 22.2% of all part-time workers and 4.5% of total employment in the EU in 2014. (See chapter 2 for further detail on EU developments around working time.)

National developments

Fixed-term employment

In 2015, some countries reported national data on general trends in fixed-term employment. For example, a recent **German** study (Hohendanner, 2015) reported that in the public sector, 60% of all new work contracts were on a fixed-term basis, compared to 40% of all new work contracts in the private sector. Fixed-term workers have fewer opportunities to get a permanent position in the public sector than in the private sector. This is because in the public sector, fixed-term contracting is related to leave regulations and a lack of permanent positions, whereas in the private sector the main reason for a fixed-term contract is to allow for a period in which the capacities of the worker can be tested.

In **Spain**, according to data from the Ministry of Employment (based on social security registers), the average duration of contracts decreased from 79 days in 2006 to 53.4 days in 2015. During 2015, a record number of 17.07 million fixed-term contracts were signed. This is 92% of all the contracts signed (18.6 million contracts in total in 2015). In 2006, 88% of the contracts were fixed-term (16.3 million fixed-term contracts out of 18.5 million contracts in total).

Portugal also [appears to have high numbers of young people](#) in fixed-term employment (up to 50% among those aged 15–24 years) and other atypical forms of employment. This is widely debated in the media. Young people are most affected by the negative effects of labour market flexibility, manifested in rising unemployment, precarious integration in the labour market and difficulty in achieving a stable job.

Abuse of fixed-term contracts in the academic sector: Estonia and Hungary

The European Commission referred Estonia to the EU Court of Justice over its national law, which did not provide sufficient protection against abuse arising from the use of successive fixed-term employment contracts or relationships in the academic sector. In Hungary it is a common practice that public school teachers are employed on fixed-term contracts from September to June each year. Trade unions have been criticising this practice for a long time and consider it unlawful. However, according to the correspondent, teachers do not take such issues to court because they are afraid of losing their jobs.

In 2015, most initiatives to reduce fixed-term employment contracts or improve conditions for temporary workers were implemented in countries with widespread fixed-term employment (such as the Netherlands, Poland and Spain).

- **Italy** extended the social security contribution relief for newly activated open-ended contracts to the end of 2016 – the new provision envisaged a two-year exemption from the payment of 40% of employers' social security contributions up to a maximum of €3,250 per year.
- Some major changes were introduced in July 2015 in the **Dutch** labour law. The main aim was to change the balance between employees with permanent contracts and different categories of flexible workers to the advantage of the latter.
- **Poland** also amended its Labour Code in a similar way, limiting total duration of a fixed-term contract with one employer to 33 months – a **regulation** which came into force in early 2016.
- **Slovenia** reported high numbers of violations with regard to the conclusion of fixed-term employment contracts. The national labour inspectorate is paying particular attention to the problem. It aims to address the issue in 2016.
- **Spain** has a so-called 'open-ended contract for entrepreneurs', a type of contract that offers fiscal incentives for hiring disadvantaged workers via open-ended contracts (both full-time and part-time). According to information provided by the Ministry of Employment in June 2015, a similar initiative – involving a flat rate of €100 for indefinite employment – led to 321,000 new employment contracts since it was introduced in February 2014. Before the elections in December 2015, the new Spanish Citizens Party (*Ciudadanos*) proposed a very controversial measure – a 'single working contract model' – applicable for all employees. The high number of different types of contracts has been criticised by most Spanish political parties.
- The **Swedish** government proposed stricter measures against abuse of fixed-term employment, with the aim of transforming more fixed-term employment contracts into permanent ones.

Some initiatives in 2015 to improve employment conditions for fixed-term employees were recorded in **France** and **Norway**, among other countries.

By contrast, some countries in 2015 introduced new legal provisions to support fixed-term employment. For example, **Latvia** extended a maximum period of fixed-term contract from three to five years. **Norway** introduced the option of using temporary employment for up to 12 months; before this, temporary employment was limited to situations where the employer could demonstrate a certain legal basis for temporary employment. In **France**, through the Small Business Act passed in September 2015, the government enabled (among other things) fixed-term contracts to be renewed twice instead of once, as was previously the case, within an 18-month period.

Temporary agency work (TAW)

Although TAW employees account for a small share of salaried employees in Europe in general, some countries have rather active debates on the development of TAW itself and

working conditions of TAW employees. Debates seem to be more active in countries with a shorter TAW history and less developed national legislation.

For example, with a view to implementing the Agency Work Directive (2008/104/EC), in 2015 **Romania** and **Slovakia** introduced a new regulation regarding the payment of TAW employees. According to this regulation, the salary received by a TAW employee shall not be lower than the salary received by any other employee of the user company performing an identical or a similar type of work. According to the amendments, introduced in Slovakia, user companies and TAW agencies have joint responsibility for implementing the equal wage rule; a TAW employee can be assigned to a user company for a maximum of 24 consecutive months (with a maximum of 4 renewals or prolongations allowed) and the user company has to keep a register of its agency workers.

Norway and **Germany** reported different aims regarding an ongoing review or intention to review the existing TAW-related regulation. In 2015, the EFTA Surveillance Authority (ESA) was checking whether the Norwegian limitations on TAW are in accordance with the Agency Work Directive. In Germany there have been legislative initiatives to restrict subcontracting and TAW. According to trade union information, ‘onsite-subcontracting’ (contracting self-employed people instead of hiring employees) in the automotive industry has doubled in recent years and is used instead of TAW, which is covered by collective agreements. In response to this situation, the government’s coalition agreement includes the objective of better regulating (sub)contracted work. In addition, in September 2015, IG Metall organised a campaign against the abuse of contract workers in the automotive industry.

Poland reported that courts of law were planning to contract more than 1,000 TAW employees in 2015. The Ministry of Justice maintained that the practice of contracting TAW employees did not violate the law, as contractors would only be recruited to perform technical and supporting tasks. The Ombudsman and trade unions expressed serious doubts about those claims.

Worker mobility and the posting of workers

Workers mobility and posting of workers were major issues on the European agenda in 2015. The principle of ‘equal treatment’ and the guarantee of working and employment rights have been at the very heart of several European texts, such as the Posting of Workers Directive (96/71) and the TAW Directive (2008). In 2014, the implementation of the Posting of Workers Directive (96/71) was under scrutiny and revision; this process ended with the adoption of a new Directive (2014/67/EU), called the ‘Enforcement Directive’. This is aimed at supporting the implementation of controls and monitoring of the posting of workers, with the objective of ensuring fairness of competition between businesses and recognition of workers’ rights. Member States have a two-year deadline for the transposition; during 2015, and up to 18 June 2016, they had to adapt their national regulations.

Nevertheless, recognising that times have changed since 1996, as has the use of posting of workers, in 2015, the European Commission launched a debate on a new revision of Directive 96/71. The revision should be ‘targeted’ and aimed at ensuring ‘fair wage conditions and a level playing field between posting and local companies in the host country’, COM (2016) 128.

Although there is a lack of reliable data, the Commission report, **Posting of workers. Report on A1 portable documents issued in 2012 and 2013**, suggests that approximately 1.6 million workers could be considered as posted workers throughout the EU and EFTA (European Commission, 2014b). In 2013, in absolute terms, the three main sending Member States were France, Germany and Poland. In relative terms, as a percentage of the total number of employed/self-employed people aged 15–64 years old, they were Luxembourg (12.1%), Slovenia (9.4%) and Slovakia (2.3%). The three main receiving Member States in 2013 were Belgium, France and Germany. During recent years, the overall number of postings has been increasing.

Relatively few developments during 2015 were reported by the correspondents regarding the posting of workers. In light of the recent arrival of the Posting of Workers Enforcement Directive (2014/67/EU), an intensified national and European-level debate is expected to unfold in 2016.

The European Commission referred **Belgium** to Court for not recognizing the so-called 'Portable Documents A1' issued to workers temporarily posted from another Member State.

In November 2015, trade unions from **Luxembourg** and **Portugal** (OGB-L in Luxembourg and the General Confederation of Portuguese Workers, CGTP-IN), passed a resolution calling on the European Commission to reconsider the directive on posting of workers. In **Romania** the law on the posting of workers was amended with a view to clarify situations arising in practice due to ambiguity in the rules on posting regarding the tax treatment of remuneration paid to the personnel employed by employers established in Romania who are carrying out international transport operations. In **Sweden**, the Posting of Workers Committee presented a report on posted workers and collective agreements in September. The committee suggested amending the legal act, known as 'Lex Laval', so that Swedish unions can take strike action regarding Swedish collective agreements against employers of posted workers.

Very atypical forms of employment

The degree of labour market saturation by very atypical forms of employment can serve as a signpost for the level of employment precarity, which is reported in some countries to have reached an alarming point. For example, in **Poland**, 4%–6% of the national workforce work only on the basis of civil law contracts, and are thus not protected by labour law. In **Norway**, on-call employees – mostly young people – make up at least 3% of the labour force.

Member States have developed various strategies for coping with the expansions of 'very atypical forms of work'. Legislative developments have generally headed towards framing the phenomenon, but this process has been two-fold. On the one hand, public authorities have aimed at curbing specific variations of very atypical forms of employment, through the introduction of restrictive measures. On the other hand, 2015 saw a trend towards embracing those practices by lawmakers, with a view of sealing the gaps in regulatory framework, thereby curbing abuse while avoiding too many restrictions being placed on labour market regulations. There were even reported cases of abuse of such forms of employment by public authorities (acting as employers).

Complex modifications to the labour law were introduced in some countries. For example, in **Italy**, as part of the Jobs Act, existing labour contracts were reshaped in June 2015. In addition, exemption from payment of social security contributions for employers hiring employees on open-ended contracts – which had been in place in 2014 and correlated with a leap in the number of such contracts – was prolonged. Changes to labour-related legislation that seem to promote flexibility in the labour market were introduced in some central and eastern European Member States, encouraging certain categories of casual work contracts. For example, **Bulgaria** adopted a 'one-day labour contract' for exclusive use in agriculture, while **Romania** decided to extend the list of economic activities in which casual work is regulated. The rationale behind such moves was to 'formalise' an activity being conducted in the shadow economy.

As for monitoring observance of the relevant labour law, in **Ireland** the government commissioned a [study on the prevalence](#) of 'zero-hours' contracts. Key findings suggested that zero hours were not extensively used in Ireland, but there was a lack of clarity around the employment status of those who work only 'if and when hours', which may raise questions over the extent to which such workers are protected by employment legislation. The government admitted there were loopholes that needed to be eliminated, and declared that specific actions aiming at enhancing the protection of workers with such contracts would be taken in 2016. In **Austria**, trade unions GPA-djp, along with the federal government, launched the web-based '[Watchlist Prekär](#)' (precarious work watch list) in addition to a 'traineeship watch list' in 2014. In **Hungary**, the media raised the alarm that the government

and public institutions were abusing public-intervention labour market programmes by employing people engaged in state-financed public works programmes. In some cases, public employees would be dismissed only to be reemployed later by the same employer, but for lower wages and with a more precarious status.

Undeclared work (UDW)

During 2015, several countries reported either growth in the scope of UDW, or increased attention to tackling the phenomenon.

The following sectors were identified as being among the most problematic sectors in terms of UDW: construction, agriculture, trade, transport, HORECA (Hotel/Restaurant/Café) and personal service activities. Abuse of employment relationships occurred in relation to part-time workers being obliged to work full-time hours or more (**Slovenia**), conclusion of civil contracts in circumstances that require conclusion of employment contract (**Poland**) and subcontracting (**Germany**).

The persisting large-scale nature of UDW is forcing European institutions, national governments and social partners to implement new initiatives to tackle it. Among the main measures mentioned by the Member States in 2015 were; UDW inspections (usually followed by fines); audits and campaigns against UDW (**Belgium, Greece, Poland and Slovenia**); and, in some of these countries, initiation of legislative reform.

In this context, the **Italian** experience should be emphasised. At the end of 2015, draft legislation intended to tackle ‘gangmastering’ and UDW was discussed. The legislative proposal aimed at increasing sanctions against ‘gangmastering’ in agriculture. It includes; compulsory imprisonment of ‘gangmasters’, seizure of the means used (such as vans) and criminal assets and property. It also introduces joint liability of companies benefiting from illegal labour intermediation. In addition, the draft aims to guarantee an indemnity for worker victims of gang-mastering and entails the implementation of plans targeted at monitoring this phenomenon and at ensuring adequate reception for migrant workers. The draft also empowers collective bargaining to control the allocation of transport costs between the employer and employees.

Summary

In recent years, the share of employees working under atypical forms of employment either increased or remained unchanged. Developments have varied by country. Some Member States reported rather specific and sometimes controversial developments in **fixed-term employment**. Its regulation varies from limiting precarious working conditions and abuse, to fiscal incentives for hiring workers via open-ended contracts, from proposals to introduce a ‘single working contract model’ and better working conditions for fixed-term employees, to the introduction of new legal provisions enabling fixed-term employment.

Although **TAW** employees account for a small share of salaried employees in Europe in general, some countries saw rather active debates on the development of TAW itself and on the working conditions of TAW workers. Debates seem to be more active in countries with a shorter TAW history and less developed national legislation on the issue. Across Member States, developments included new regulation regarding payment for TAW employees, limits being placed on the duration of TAW employment, legislative initiatives to restrict subcontracting and TAW, and debates regarding the legitimacy of TAW.

Several countries reported either a growth in the proportion of **UDW** workers, or increased attention to tackling the issue. Cited abuses in employment relationships included: employment of workers on a part-time rather than a full-time basis, and use of civil contracts instead of employment contracts.

‘**Very atypical forms of employment**’ (drawing on attempts by Eurofound to conceptually systematise this largely dispersed phenomena) is a variety of contractual arrangements that are not subject to the patterns of standard employment. In particular, this category encompasses the following practices, as reported by the Member States: on-call work, civil

law contracts/freelancing deliberately used as a substitute for labour contract, 'zero hours' contracts, casual work, 'one-day' labour contracts, misused traineeships or manipulated public intervention programmes.

An increase in the number and role of atypical work contracts has provoked mixed reactions from academics, social partners and the media. While some commentators believe that through these new contractual arrangements, the unemployment rate will be kept under control, others appear to suggest that stable, full-time, permanent jobs are in danger of disappearing (Buelens et al, 2013), with previously standard workers being exposed to precariousness working arrangements.

Events in 2015 reflect the eclectic nature of approaches to this matter, with measures ranging from those that encourage flexibility (Latvia and Norway) to those that seek to combat abuse of atypical contracts (Sweden).

The need to correctly identify employment contracts and worker rights-led Member States to increase control measures for undeclared work (Belgium, Greece, Poland and Slovenia), adopt fiscal measures to tackle bogus self-employment (Romania) and develop stricter regulation of very atypical forms of employment, such as casual work (Bulgaria).

It would be wrong to see the expansion of atypical forms of employment as a purely 'zero-sum' game, where only businesses benefit. This phenomenon has grown to the point of evoking policy response and modifications in the legal environment both at the EU and the Member State level. Different Member States have taken different responses: the central and eastern European Member States applied more restrictive regulations to prevent the abuse of atypical forms of employment (Estonia, Poland and Romania); whereas in other Member States, a more nuanced approach was taken, comprising both incentives and restrictions (Denmark and Germany).

Read more from EurWORK on individual employment relations.

Eurofound publications 2015:

[Maternity leave provisions in the EU Member States: Duration and allowances](#)

EurWORK topical updates:

[Digitalisation and working life: lessons from the Uber cases around Europe](#)

[Approaches towards the labour market integration of refugees in the EU](#)

8. Health and well-being at work

In 2015, 12% of workers in the EU28 self-reported that their work affects their health positively and 25% report that it affects their health negatively (Eurofound, 2015e).

Occupational safety and health (OSH) is concerned with the safety and health of people engaged in work. During the second half of the last century, the focus of OSH has been on managing risks in the work environment to prevent occupational physical health problems and injuries. For the most part, this is also the main focus of extensive policy intervention at both EU and national level. However, during the last couple of decades, new focuses of the debate have been emerging.

Health and well-being in the workplace is a broader issue than exposure to physical risks, accidents and occupational diseases; it is the outcome of a multitude of settings and conditions. Organisations and workers need a range of resources to ensure health and well-being in the workplace; how work is organised and the organisational culture are also important. Physical risks, being the most visible, originally received the most attention; however, psychosocial risks are receiving increasing prominence as a workplace health hazard. (See also European Agency for Safety and Health at Work, 2013, on well-being at work).

The other emerging concept is sustainability of work. This means living and working conditions that enable people to engage in and thrive in work, making accommodations between the requirements of work and the needs of individuals as both evolve over time (Eurofound, 2015i). These concepts reinforce a positive approach to health at work and workers' well-being as key factors in determining the long-term development of organisations and societies. They require cooperation between workers and organisations, and the involvement of social partners and other institutions.

Eurofound's concept of sustainable work over the life course

In 2015, Eurofound [published a concept paper](#), which sets out to clarify and illuminate Eurofound's framework for understanding the concept of sustainable work (Eurofound, 2015i). It can be used as a reference point for a range of Eurofound research projects that examine different aspects of sustainable work.

Sustainable work means achieving living and working conditions that enable people to engage in and thrive in work over their lives. Making work sustainable throughout the life course in this way requires making accommodations between the requirements of work and the needs of individuals as both evolve over time. People stay out of the workforce or leave it for many reasons, and the nature of work itself is often at the heart of the problem. The issue of transitioning from one job to another is also relevant.

Sustainable work, as a concept that champions the improvement of working conditions and the adaptation of work to the needs of people, is an end in itself and needs no justification. But it has a clear economic imperative too. By making work more sustainable, it is hoped that more people can be brought into the labour market and that workers are able and wish to remain in the labour market until a later age.

Neither of these goals is simple; each embraces multiple aspects of living and working conditions that interact to bring about work that is sustainable over the life course.

The first goal, enabling more people to engage in paid work, means addressing issues that keep people out of the labour market. Such issues can include temporary or permanent health problems or disabilities, skills mismatches, responsibilities for caring for children or other relatives, motivation, and transitions between jobs.

The second goal is centred on job quality, the work environment itself and the interaction between this and the health of workers. Indeed, the quality of the job, as well as the work

environment, has an impact on the sustainability of work. The four dimensions of job quality are: earning, prospect, intrinsic job quality and working time quality.

This chapter has two main sections; the first focuses on EU developments in health and well-being at work policy that have been and will be shaping national level developments; and the second summarises the material that was reported by Eurofound's network of European correspondents throughout the year 2015 about national level developments on health and well-being.

Developments at EU level

Health and safety at work is one of the key labour policy areas where the EU, working closely with Member States, has established its regulations, standards, guidelines and other tools. These include social dialogue to encourage improvements in OSH and health and well-being at work in all sectors of activity, and to adequately protect and promote workers' health.

The recent EU strategic initiative (**EU Occupational Safety and Health Strategic Framework 2014–2020**) adopted by the European Commission in 2014, makes efforts to ensure that the EU continues to play a leading role in the promotion of high standards for working conditions both within Europe and internationally. In 2015, the strategy was **discussed in European Parliament** and it was reported that addressing the challenges identified in the framework requires additional concrete measures to be included in the framework, if the objective of ensuring a safe and healthy working environment for all European workers is to be achieved. The European Council **adopted a conclusion on the framework**, concluding that changes in the working environment and in technologies used may require an update of current legislation for health and safety at work, and that it is important that Member States, the EU and social partners as a whole, continue to improve working conditions and respond to challenges of today and the future. (For a discussion of new and emerging risks, see Ellwood et al (2011).)

Other EU institutions have also aligned their work plans to target actions in support of implementation of the framework.

The Commission has planned to monitor the implementation of the framework and to review it in 2016 to take into account the results of its implementation and ex-post evaluation of EU OSH directives. Related to the strategy, the other crucial ongoing EU level initiative is a review of the whole body of OSH legislation as part of the Commission's REFI programme, launched in 2013. The initiative focuses on the question of whether it would be possible to make the EU OSH legislation lighter, simpler and less costly, without a detrimental effect on workers' health and well-being. Results were expected **for end 2015 (PDF)** and will be taken into account by the Commission while reviewing the framework.

EU level social dialogue on health and well-being at work

The social dialogue on health and well-being issues is long-established at EU level and also forms part of the EU's legislative process. One notable example of this is the **Framework Agreement on Work-related Stress (2004)**. Both the framework and REFIT programme merit the attention of social partners.

In 2015, during the discussion in the European Parliament, **BUSINESSEUROPE communicated (PDF)** with the Employment Committee. Acknowledging the comprehensive body of EU occupational safety and health legislation, they stated that the best way to ensure workers are protected from risks at the workplace is to make sure the existing legislation is applied in practice. They claimed that it is not appropriate to introduce further legislative measures or a revision of the framework when the evaluation exercise is not complete.

Likewise, at the European Trade Union Congress in 2015, **an emergency motion** on health and safety at work was adopted, which, referring to the REFIT initiative, condemned attempts to put into question the existing framework for health protection and to classify much needed safety standards as 'the most burdensome of EU legislative acts'. In addition, **the opinion** of

the tripartite **Advisory Committee on Safety and Health at Work (ACSH)**, delivered on 24 September 2015 and adopted unanimously by representatives of governments, employers and worker organisations in Member States, concludes that any specific proposals in regard to the *acquis communautaire* – the cumulative body of EU laws – regarding OSH should take account of the opinion of the tripartite ACSH and the contributions of social partners according to the provisions of the EU Treaty on social dialogue.

Review and enforcement of existing EU regulation

Although no new regulation or standards were drawn up in the decision-making procedures in 2015, the European Commission has been reviewing the existing regulation and its enforcement. This process includes **collecting updated information** of carcinogenic substances with a view to analysing the health, socio-economic and environmental impacts in connection with possible amendments of **Directive 2004/37/EC** on the protection of workers from the risks related to **exposure to carcinogens or mutagens at work** (see EU-OSHA, 2014).

Regarding the transposition and enforcement of the regulation, the Commission continued its effort for the coherent transposition and equal application of the Community directives. In 2015, the Commission focused on the most recent directive in the field (**Directive 2013/35/EU**), which lays down the minimum safety requirements regarding the **exposure of workers to risks arising from electromagnetic fields**. The Commission published a non-binding guide to good practice (**Volume 1**; **Volume 2**; and the **Guide to SMEs**) for implementing the directive to assist employers, particularly SMEs, in applying the directive. In addition, the **Commission began consultations** with the social partners on consolidation of three directives on collective redundancies, transfers of undertakings and a general framework for information and consultation of workers, of which the last is the most crucial for effective health and safety management at the workplace.

In addition to coordinating policy in EU Member States, the EU also seeks to ensure that its **trading partners comply with the core ILO labour standards** and set due diligence requirements in specific supply chains. In 2015, **the Commission announced** EU support for the G7's 'Vision Zero Fund', which supports the joint activities of governments, businesses, social partners and NGOs in low income countries where goods are made to reduce and prevent workplace-related deaths and to help workers to exercise their rights.

National developments

Strategic initiatives, EU influence and social partners' involvement

A number of Member States have been discussing national health and well-being or OSH at work strategies. This is partly in response to the European Commission's call to review the national strategies, taking into account the new EU strategic framework, and partly in response to national contingencies and requirements. According to Eurofound's network of European correspondents, throughout 2015, the Member States, in consultation with national social partners that are reviewing their national OSH strategies are Croatia, France, Germany, Portugal, Slovenia and Sweden.

France: Third Workplace health plan marks a break from previous years

On 8 December 2015, following lengthy consultations, the government and all representative social partners at national level adopted its third Workplace Health Plan (2016–2020). The plan has two key objectives: to reinforce a culture of risk prevention and to improve the quality of working conditions, which marks a break from previous years. All the social partners have agreed to prioritise risk prevention, to simplify regulations to make them more effective, and to recognise that work is also a positive factor for health. The consultation process and time devoted to drafting the plan (almost two years) played a vital role in this. Another focus of the plan is to place social dialogue at the heart of workplace health policy, mainly by encouraging the conclusion of collective agreements at sector and corporate level. The plan also recommends that a coordinated network of stakeholders should be created for companies, especially SMEs and micro-businesses. Interim evaluations are planned to monitor its effectiveness and to review regional variations.

The EU influences national health and well-being provisions through directives that have to be carried over into national legislation. The regulation and its enforcement in Member States reflect EU level initiatives and a number of Member States have revised their national legislation to transpose EU directives in 2015 including Estonia, Latvia and Luxemburg. Most of the countries (such as Croatia, Estonia, Greece and Malta) report on actively using initiatives and tools of the Commission or the EU-OSHA to promote safety and healthy workplaces via campaigns, seminars and consultation, thus enforcing the EU level and national provisions.

The initiatives described throughout this chapter have almost all involved consultation with social partners. The importance of social dialogue in co-determining a work environment and working conditions cannot be stressed enough. In 2015, collective agreements, social pacts and social dialogue in general have played a crucial role in a number of countries (according to the reports, especially in Croatia, Cyprus, Denmark, France, Luxembourg, Norway and Sweden), in substituting the deregulation, completing the intervention gaps in the segments of economic activities or fulfilling a complementary role to the existing governmental structures. The box below presents four (mainly) sectoral examples of recent social partner initiatives.

Social partner's role in promoting healthy work-environments – Examples from France, Croatia, Denmark and Sweden

In **France**, the social partners of the meat wholesale sector concluded a three-year collective agreement, on 10 February 2015. On 23 April, they asked the government to extend it. The aim is to prevent employees from arduous jobs (*prévention de la pénibilité*). One measure consists of reducing the multi-exposition to risk factors for all employees. One innovative measure is to use the surplus of the collective health insurance fund (*prévoyance*) to finance company-level action plans to reduce exposition to risks and arduous positions.

In **Croatia**, construction sector social partners, in collaboration with key stakeholders and government, are exploring interest in and opportunities to develop a paritarian fund in the construction industry for health and safety issues. Such paritarian funds are managed by the social partners themselves and often fulfil a complementary role to existing governmental programmes.

In **Denmark**, the **biggest collective agreement** within the health sector, involving the Danish regions as the employer and health personnel as the employees, has a focus on health and safety. As a part of the agreement DKK 2 million (€270,000) has been put aside to conduct a study on the physical working environment in the sector. It is unusual to see specific demands regarding the physical working environment in a collective agreement. The study is yet to be conducted.

In **Sweden**, social partners have decided to allocate approximately €8.1 million for work environment training, to give both managers and safety delegates the opportunity to broaden

and deepen their knowledge on preventative work environment management. Private sector employers can apply for funding for this training, which can cover topics such as physical and psycho-social working conditions, chemical health risks and other health factors in the workplace.

New or emerging risks

Working environments are constantly changing alongside the introduction of new technologies, substances and work processes, together with changes in the labour market, and with new forms of employment and work organisation. These changes bring new opportunities as well as **new risks** for workers and employers. (See the EU-OSHA scoping study on new and emerging risks for further detail: European Agency for Safety and Health at Work, 2014b.) In 2015, developments in policy and social dialogue seem to have addressed changes in work and work environments so that they target relatively new or emerging risks at the workplace.

In addition to stress and stressors, which almost all countries report, the correspondent reports highlight a number of other risks and the need to address them:

- using information and communications technologies, digitalisation of work (ergonomics, telework and psychosocial risks such as the right to ‘switch off’) (**France**);
- new technologies, the ban on electronic cigarettes in enclosed workplaces was introduced (**France**);
- nanomaterials (**France**);
- carcinogenic, mutagenic or toxic reproduction chemicals (CMR substances) (**Croatia, Estonia, France and Latvia**).

Policy debates and developments regarding CMR substances were at partly triggered by EU level initiatives.

- In **Latvia**, the new regulation regarding production, importing and use of chemicals went into force in 2015, transposing the **most recent CLP regulation (PDF)**.
- In **Croatia**, the new regulation on the obligations of employers in case of risk of exposure to carcinogens and mutagens at work, including risk prevention, was adopted.
- In **Estonia**, the new Chemical Act went into force, transposing the Seveso-III directive (**Directive 2012/18/EU**). These regulations are expected to prevent occupational health problems involving dangerous chemicals that pose a significant threat to humans and the environment.
- In **France**, an amendment was made to guarantee that the civil servants and governmental employees who were exposed in their jobs to CMR substances will receive a post-professional medical monitoring.

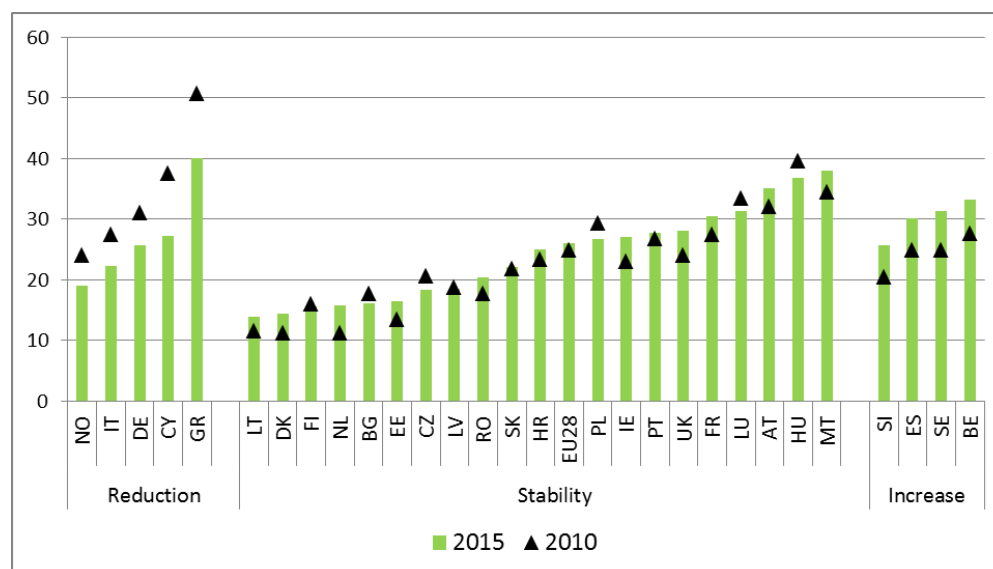
Chemical hazards continue to be on the table at EU level. In 2015, in order to increase synergies between the EU regulation, Registration, Evaluation, Authorisation, and Restriction of Chemicals (REACH) and other legislation related to chemicals, **the Commission worked (PDF)** on clarifying the relationship between REACH and legislation on occupational safety and health.

Psychosocial risks and stress

The issue of psychosocial risks and psycho-social health is a frequently reported work-related health and well-being concern. According to the sixth EWCS, in 2015, 27% of workers in Europe said they experience work-related stress for all or most of their working time, and a similar proportion reported that work affects their health negatively. This is almost the same as rates for 2010 (26%) in the EU28 (see Figure 15, page 70). The countries with high proportions of workers reporting to experience stress at work are Greece, Hungary and Malta, while the lowest proportions are found in Denmark, Finland, Lithuania and the Netherlands. The survey data show that workers in Greece and Cyprus were far less likely to report work-

related stress in 2015 than they were in 2010 (a reduction of 10 percentage points). Germany, Italy and Norway also experienced a decline (of around five percentage points). The level in most other countries remained stable (that is, within the bands of the survey's error margins) – only Belgium, Slovenia, Spain and Sweden had an increase of more than five percentage points between the two waves.

Figure 15: Share of workers experiencing stress at work always or most of the time



Note: EWCS Q.61: 'Select the response which best describes your work situation: Do you experience stress in your work?'
Responses: Always/most of the time/sometimes/rarely/never.

Source: EWCS, 2010 and 2015.

Eurofound's correspondents complemented these findings with national survey results and other research on health and well-being at work that became available during 2015. One of the most extensive of these studies was a **French study**, conducted over four decades, by the 'Santé et Itinéraires Professionnels' (SIP), which analyses how changes in working conditions are part of the professional journey (Wolff et al, 2015). It highlights continued and accelerating change, particularly with regard to job intensification, which is associated with an increase in pressure felt at work and tension when dealing with the public. Changes towards a less stimulating and rewarding professional life have also become more common. At the same time, features such as better integration in the workplace, greater recognition and greater match between skills and work are becoming scarce.

General national survey findings on psychosocial risks at work and work-related stress were available from Belgium, the Czech Republic, Germany and Spain. Survey research was conducted on work intensity – the pace of work or long working hours – in Austria, Germany and Ireland. The impact of work autonomy and leadership on health and well-being at work were the focus of research in Austria, Denmark, Norway and Romania. Some surveys also looked into the issue of work without boundaries and the impact of ICT use on people's well-being. Table 13, page 71 briefly summarises the main findings.

Table 13: National research findings on work-related health and well-being

General national survey findings on work-related stress
<p>The Belgian government conducted a study of psychosocial risks at work and musculoskeletal disorders among 4,000 workers. It showed that 3 out of 10 workers feel work-related stress most or all of the time. This proportion is the same for men and women, with a few differences by age or sector.</p> <p>In the Czech Republic, nearly 40% of 1,027 respondents to a representative survey identified their job as a primary source of long-term stress. The most frequently cited sources of work-related stress were: contact with clients (63%) and pay remuneration (62%). Bossing was mentioned as a cause of stress in 32% of cases. Concerning burnout syndrome, 34% of respondents felt to be at a higher risk of burnout due to their work, with one-fifth of declaring specific symptoms of burnout.</p> <p>A German survey by United Services Union (ver.di) in November 2015 stresses that employees feel greater stress at work in recent years. Over two-fifths (42%) of the surveyed employees fully agreed that their work strain had increased in recent years. Another 28% tended to agree with this statement. Eastern German workers seemed more affected than their western German colleagues (TNS Infratest, ver.di 2015).</p> <p>In Spain, the Barometer on Employees' Well-being and Motivation was published in June 2015. The survey revealed that 42% of Spanish workers under 35 years old were suffering from high levels of stress. The percentage was a bit lower for all employees (37%) (Edenred, IPSOS, 2015).</p>
Keeping up with the pace: Job intensification, long working hours, fatigue
<p>A Germany study by the Bertelsmann Foundation, based on 1,000 survey responses, found that 25% of full-time workers worked too fast; these workers stated that they could not keep up this pace in the long run. Another 18% indicated that they often reached their limits, and 23% indicated that they could not take a break. 12.5% of respondents indicated that they had gone to work ill. When asked for reasons, 42% stated that their work environment was characterised by an increasing pressure to perform. One-third (33%) indicated that they did not know how to achieve increasingly demanding goals. Over half (51%) stated that they had little or no influence on their workload. Over 40% stated that they had little or no influence on their targets (Chevalier and Kaluza, 2015).</p> <p>A (non-representative) Austrian study (in German), conducted by the insurance company Wiener Städtische in cooperation with the internet portal netdokter.at, involved 600 worker respondents of all age groups, 65% women and 35% men. Almost four-fifths (78%) stated that work makes them tired and drained, and 55% said that they felt work impairs their health. More than one-third asked for an improvement in their well-being at work. Two-thirds suffered occasionally from stressful work periods, while the remaining one-third expressed satisfaction with their working situation. An analysis of the Austrian Working Climate Index conducted by the Chamber of Labour (AK) shows that the average working time of full-time employees in Austria has consistently stayed at 42 hours per week. Long working hours have negative effects on employees' health: 39% of those working less than 38.5 hours per week reported that their health status was very good, compared to only 30% of those working 40 hours or more.</p> <p>In Ireland, some 61% of employees and managers, surveyed by Peninsula Ireland, admitted to falling asleep at work. Although the figure is high, it is still a reduction from the 2008 figure of 69%. The survey also found that 72% of employees 'regularly drink caffeinated drinks in order to stay awake'.</p>

The impact of leadership, work autonomy and role clarity on health and well-being at work

A new **Danish study**, a comparative analysis among day-care divisions in six Danish municipalities, shows a link between good leadership and low levels of health-related absence. Three of the six cases were characterised by a high level of health-related absence and three were characterized by a low level of health-related absence. Results show that the best variable to explain the difference in health-related absence rates between the six cases is the quality of leadership. In particular, the leaders' skill and clarity in handling health-related absence has a big impact. The study concludes that it is important to have good tools and policies to secure that a dialogue between leaders and employees can be facilitated.

A recent **survey in Romania** among urban and highly educated employees shows that for 50% of respondents, the lack of honest communication with their superior is one of the main factors negatively influencing their relationship with their employer. Almost two-fifths (37%) referred to high pressure from their superior and 34% to a lack of transparency within the company.

In **Austria, survey results** involving 1,000 employees show that strong hierarchies are increasingly questioned: 80% of respondents ask for supervisors who act like colleagues towards them (and not like a traditional boss). About half would like more autonomy in determining working times and 46% would prefer to work 'without instructions from above'. A total of 58% feel that communication with their superiors is open and that they are sufficiently valued.

Findings from a **Norwegian study** on the associations between work environment and psychological distress after a workplace terror attack showed that after a traumatic event, lower role conflicts, higher role clarity, higher predictability, and higher leader support were independently associated with lower psychological distress. These findings suggest that the workplace environment may be a facilitator of employees' mental health after stressful events. The study collected data from approximately 1,800 ministerial employees, 10 months after the 2011 Oslo bombing attack, which targeted the Norwegian ministries (Birkeland et al, 2015).

Impact of new technologies on work-related stress – a blurring of boundaries

Research into 'that Monday morning feeling' has sparked a debate in Latvia about how the changing nature of work has increased stress levels. Emails accumulate over weekends, not only in work computers but also in mobile phones. If managers attempt to alleviate the stress of dealing with this mail traffic by reading their mail on days off, they then experience chronic stress. **Another survey** among **Bulgarian** ICT workers shows that one-third of IT workers experience stress and say that their privacy is affected.

In **Luxembourg**, a third Quality of Work Index study, carried out in 2015, measures the perceived satisfaction of workers in Luxembourg with their employment and work-life balance. Nearly one-third of respondents explained that they are expected to be reachable outside the workplace through ICT tools. Three-fifths (60%) of them added that they are also expected to be reachable outside of normal working hours and that they work often under time pressure. They also said that working under pressure leads to more work-life balance problems and sleeping difficulties.

The reported research findings show that work-related stress is not the only main cause of lack of well-being at work, absenteeism or incapacity to work. They also point to the importance of other factors like individual dispositions and the wider socio-economic context.

- A recent **German** study by the Max Planck Institute for Psychiatry highlighted a rising rate of sickness leave due to mental or psychological health problems that are not so much related to work-related stress, but to **individual dispositions**. For example, biographical factors and personal reasons – not work-related stress – often cause depression. The study findings (based on more than 800 cases) suggest that work is

neither a risk factor nor a preventative factor for psychological illnesses. The analysis was undertaken on behalf of the Bavarian employer organisation in the metal and electrical industry, VBM, and was published in November 2015 (VBM, Max Planck Institute for Psychiatry, 2015).

- A **new Danish study**, conducted by the think tank Cevea, found a correlation between the range of people suffering from stress and the scope of social problems in their municipalities. Stress is not necessarily work related, and municipalities with a high level of unemployment have a high proportion of individuals suffering from stress. The study taps into a political focus on the rural areas in Denmark. The rural areas, overall, have a high level of unemployment and many social problems.

Policies to address psychosocial risks

At policy level, legislation and social partner initiatives have contributed to the implementation of psychosocial risk prevention (Eurofound and EU-OSHA, 2014). The Framework Directive (**Directive 89/391/EEC**) points to all risks; therefore, psychosocial risks must be addressed in the management of OSH by organisations. The European social partners have recognised the importance of psychosocial risks by signing the **Framework Agreement on Work-related Stress (2004)** and the Framework Agreement on Harassment and Violence at Work (2007). In 2015, during the **European Week for Safety and Health at Work 2015**, work-related stress and psychosocial risks, including sexual harassment and third party violence, were put under the spotlight. To draw attention to the importance of the issue, both **ETUC** and **BUSINESSEUROPE** made statements about the need to take the risks seriously, and to assess work-related mental health risks in cooperation with employers and employees.

Many correspondents reported on information and consultation activities to raise awareness of psychological risks and risk management at the workplace (Croatia, **Estonia**, Greece, Hungary, Poland and Spain). Others reported intensified public focus and debates – in Germany and Sweden but also in the Netherlands and Norway, where the focus lay on temporary work contracts and how they might lead to higher psychosocial risks.

During 2015, psychosocial risks or outcomes were addressed in national regulations in a few countries only.

Addressing psychosocial risks at work in regulations: Sweden, France and Romania

In September 2015, the **Swedish** Work Environment Authority published a **new regulation concerning organisational and social work environments**. The regulation, among other things, incorporates provisions on workload, working time, and victimisation at work. The objective is to reduce work-related illnesses. It states that employers have the responsibility to ensure that the workload of employees is not unhealthy and that working time is not a threat to their well-being. Such threats include expecting an employee to be always reachable. The employer must also ensure that victimisation at work is not acceptable and establish procedures for handling cases of victimisation. The Swedish Confederation of Professional Employees (TCO) is **positive about the new regulations but requests sanctions for employers not complying with them**.

In **France**, the **law on social dialogue and employment** (*‘la loi Rebsamen’*) made it possible for burn-out and other psychological diseases to be recognised as an occupational disease (**Article 461–1 Social security code**). **The regulation requires** a demonstration of the existence of a direct and essential link between the disease and the occupational activity. Furthermore, the disease must result in a permanent disability of a certain severity, because a ‘predictable’ rate of at least 25% must be estimated by a committee of the insurance organisation. This regulatory condition applies to mental disorders in the same way as to any off-list disease. The amendment stipulates that these committees could include more psychologists and that the government will commission an impact assessment of the inclusion

of mental disorders in the national list of occupational diseases. This is seen as a first step towards the recognition of mental disorders and burnout as occupational disease.

In **Romania**, new legislation was adopted that provided a definition of psychological harassment: any unjustified behaviour that takes place during a period of time, is repetitive or systematic and involves physical behaviour, written or verbal language, gestures or any other intentional acts that may affect the personality, dignity, physical or psychological integrity of an individual.

Search for effective interventions

The reports from Eurofound’s correspondents indicate that a number of countries are searching for effective interventions to prevent occupational accidents and to improve health and well-being at work. In the research literature, a basic taxonomy of the three OSH policy instruments has been suggested:

- regulations and power to establish the requirements;
- information and the resources to launch an information campaign from those who have knowledge and insight to those who do not;
- economic incentives – the ability to reallocate resources (Hasle, Limborg and Nielsen, 2014, p. 74).

Although evidence from empirical impact assessments is lacking, the available information indicates that regulations and enforcement, as well as economic incentives, decrease work-related health problems (Tomba et al, 2007; Mischke et al, 2013).

The three OSH policy instruments outlined above were also the focus of policy reform and debate in a number of Member States, as work-related health problems still occur and risk management procedures are not implemented across all workplaces. In 2014, according to EU-OSHA’s second European Survey of Enterprises on New and Emerging Risks (ESENER), 77% of EU establishments were reported to regularly carry out workplace risk assessments, ranging from 37% in Luxemburg to 95% in Italy (EU-OSHA, 2016).

(De)regulation and enforcement

A number of countries reported on developments and discussions on regulation and deregulation. Arguably, some of these debates reflect initiatives at EU level to review the whole body of OSH legislation (the REFIT programme) (see Table 14).

Table 14: Examples of national OSH regulation, 2015

Cases of deregulation and impact of social dialogue
<p>In France, the government passed two decrees in April 2015, following consultation with social partners. The aim was to reduce the administrative burden for employers who wish to employ young workers under 18 years old in hazardous work, thereby promoting apprenticeships. The new rules remove the prior authorisation of the labour inspectorate (a declaration would be sufficient) and make it easier to employ young people to work at a height. The main employer organisation of the construction sector was pleased with the new measures, while labour inspectors (and unionists) were against them. The tripartite body Conseil National de l’Emploi, de la Formation et de l’Orientation Professionnelle (Cnefop) voted against the decrees. In the UK, a proposal was made to exclude all self-employed workers (except those working in defined occupations and sectors) from health and safety legislation. However, the government’s position changed in response to social dialogue.</p>
Regulations focusing on reporting requirements and prevention
<p>In France, the government obliged all employers to report on the exposure of employees to arduous working conditions. The gradual implementation of new legislation stipulated reporting on 4 of the 10 risk factors in 2015. The four areas on which reporting was to begin in 2015 (as announced on 13 March 2015) were: night work, work in constantly changing</p>

teams, repetitive tasks, and work in an environment with high levels of physical pressure. An additional six factors are to be added from 2016 onwards. Companies that report exposure of workers to these conditions will have to pay a general fee (as of 2017) as well as specific contributions, depending on the number of factors applicable.

In **Germany**, the new Act to strengthen health promotion and prevention (Prevention Act) was passed. This aims at improving cooperation between insurers and liability associations and at improving health prevention across all phases of life. Financial funds have been ring-fenced for this. The Act will have a positive impact on provision by occupational medical doctors (there is a labour shortage of occupational doctors) and health prevention in establishments.

In the **Netherlands**, a revision to the legislation was announced that will give employees the right to a second opinion from a doctor other than the doctor employed or hired by the company. A bill was introduced to promote the involvement of both employers and employees with regard to OHS management.

In **Slovakia**, according to the new amendments to the Act on OSH, all employers are obliged to ensure the operation of an occupational health service at their premises and provision of preventive health checks for all their staff.

In **Sweden**, a new regulation was introduced to avoid unhealthy working conditions for employees due to workload, working time or victimisation at work.

To be effective, OSH regulation must be enforced by recognised authorities. Understanding in this area – how to make employment rights effective – has also been evolving, according to reports from the national correspondents (see Table 15). Some countries have reported that the labour safety inspections have declined (Hungary) or that better enforcement or more resources are required (Estonia, Slovenia). Others report that inspection activities have been enforced, as well as the monitoring of compliance (the Netherlands, Poland and Spain).

Table 15: Enforcing compliance with labour law

Lack of resources or difficulties in enforcement reported
<p>In Hungary, as the number of labour safety inspections have fallen, trade unions fear that the latest institutional reform of the labour and OSH inspectorates will further weaken the effectiveness of inspections. The Ministry for National Economy (NGM) disagrees with this. According to NGM the fact that the labour law related health and safety authority has been incorporated into the central government structure means that its activity will receive attention at higher levels and could therefore become more effective.</p> <p>The Estonian Labour Inspectorate has pointed out that employer obligation to organise the provision of medical examination for employees whose health may be affected by work or work environment need better enforcement. According to inspections carried out in 2014, 21% of employers have not organised the provision of medical examination for employees, 44% of employers have not organised the examination before the first month of employment as the legislation stipulates, and 37% of employers' occupational doctor have not assessed the working conditions and work environment for the examination. The inspectorate plans to enforce this obligation on employers during the coming years.</p> <p>The Slovenian Labour Inspectorate, in its annual report for 2014 (PDF), stressed the problem of an insufficient number of inspectors; 78 had to carry out more than 17,390 inspections in 2014, 25% more compared to previous year. New legislation on labour inspection (2014) increases the efficiency of labour inspection through an appropriate sanctioning policy and introduces greater involvement of social partners through the tripartite Council of the Labour Inspectorate, comprising two government representatives, two employer representatives and two employee representatives.</p>

Actions to increase the authority of labour inspectorates

In **Sweden** and **Denmark**, the government made steps to enforce the regulations with zero tolerance regarding fatal accidents in the workplace and to introduce new sanctions against non-compliant companies. States are also developing new tools for enforcement. In **Denmark**, a digital reporting tool was implemented that makes it possible to receive the inspection report digitally, customise the report to each enterprise and distribute it to all employees in the target group for the inspection report.

In **Spain**, the government has reformed the labour inspectorate by extending the inspectors' capacity to control reasons behind temporary (fixed-term) contracts, illegal work among minors and labour risks prevention. The law is also expected to improve management of the competences between autonomous regions, where the system is shared and more participative, with the same inspection criteria applying to all territories. Social partners are expected to play a more active role.

In **Poland**, the Ministry of Labour and Social Policy aims to broaden the scope of prerogatives of the National Labour Inspectorate. In particular, the regulation will give the Inspectorate more power in accessing internal documentation regarding staff 'employed in special conditions', which by definition of the Labour Code include a wide range of positions and duties considered hazardous or exceedingly demanding.

Netherlands: Enforcing labour inspections – New checks on adherence with collective agreements

The Labour Inspection (I-SZW) presented their [plan for 2016 to parliament](#). Important actions points include the following:

- work-related stress and other psychosocial risks like violence and harassment are important issues. Inspections will check whether companies handle high levels of work-related stress well and take adequate measures;
- a new task is the intense check on the adherence to the collective agreements. There will be 100 inspections on fraudulent contracts. These contracts are used, for example, to pay a mortgage or to get a family into the Netherlands from abroad;
- several sectors are inspected for specific risks. In the construction sector, inspections will focus on situations at risk for falling from heights and dangerous substances such as those that increase the risk of cancer;
- in the retail trade, the focus is on inspecting for exploitation: under-payment and long working hours. In agriculture, inspections will focus on identifying unhealthy working conditions and counteracting illegal work;
- the increase in flexible work leads to additional attention of the labour inspection on temporary contracts and self-employed people without personnel.

Awareness regulation and OSH management

In addition to regulating rights and obligations regarding safety and health, almost all the countries reported activities related to information sharing and awareness raising to enforce the regulation or promote health and safety management workplace level practices. Increasingly, Member States such as **Denmark**, **Estonia** and **Malta** have been investing in online risk assessment tools to target specific workplaces more interactively. In this regard, the European Commission's strategic frameworks have called for the development of online interactive tools to facilitate risk assessment and risk management. (See the award-winning [EU-OSHA's online interactive risk assessment tool \(OiRA\)](#) that facilitates the inception and implementation of these tools in Member States.) The reports also indicate that new tools

are emerging that help safety management. For example, a group of researchers from **Denmark, Norway** and the **UK** developed a new solution in cooperation with a **French and Dutch** company that monitors movements, delivers recommendations to the carrier based on data, and helps to prevent back pain.

However, more traditional tools and communication channels cannot be forgotten. In this regard, in **Lithuania**, methodological recommendations for improving the quality of preventive medical examinations of employees were introduced. The recommendations are designed for personal healthcare establishments, providing occupational medical examination services and doctors who conduct or consult on preventive medical examinations of employees. This will be also useful for employers and officers responsible for the organisation of preventive medical examinations of employees.

In **Lithuania**, methodological recommendations for the improvement of occupational safety and health culture were developed to provide tools for the assessment of safety and health culture, and to indicate the main aspects recommended for the improvement of occupational safety and health culture.

In **Slovenia**, social partners adopted a guideline for the promotion of health at the workplace.

In **Malta**, the occupational health authority organised a number of courses as part of its campaign to promote workplace health, including courses on first aid at work and courses for health and safety worker representatives.

Economic incentives

Alongside legislation, ensuring compliance with legislation, and facilitating access to knowledge, **economic incentives** that reward and thus motivate organisations to develop and maintain safe and healthy working environments can be effective instruments for health and safety at work (EU-OSHA, 2010). A number of countries reported on developments related to these instruments.

- In **Spain**, the government proposed to reduce social security contributions required from companies with a low accident rate as an incentive to companies to maintain low accident rates. Social partners, however, proposed that the incentive should also be based on investments in preventive measures.
- In **Belgium**, a prize was launched to encourage actions related to returning to work after a long absence for medical reasons.
- In **France**, a new law that obliges employers to report on exposure of employees to arduous working conditions (see Table 14, page 75), also contains an economic incentive: companies that report exposure will have to pay a general fee (as of 2017) as well as specific contributions depending on the number of factors applicable.

Summary

As work and working can influence workers' health, health and safety at work is one of the key labour policy areas where the EU works closely with Member States and social partners to encourage improvements in OSH management. Recent developments highlight the importance of workers' well-being and of sustainable work, which is needed to support quality of working life and the productivity of workers over their life course.

The related issues of psychosocial hazards and mental health are frequently reported work-related health and well-being problems. According to the sixth EWCS survey (Eurofound, 2015e), 27% of workers in Europe say they experience work-related stress for all or most of their working time, and a similar proportion reports that work affects their health negatively. These figures are almost the same as those reported in 2010 (26%) in the EU28.

The year 2015 was rather eventful both at EU and national level. At EU level, different institutions and parties adopted conclusions and opinions on the **EU Occupational Safety and Health Strategic Framework 2014–2020** adopted by the European Commission in 2014, and on the review of the EU-OSH legislation and other policy measures planned for the

coming years. A number of Member States reviewed their national strategies in response to the European Commission, as well as finding new focuses and tools for improving health and well-being at work. Debates took place in different Member States regarding relevant national legislation, enforcement of that legislation, sharing knowledge and economic incentives. Most of the reported initiatives, policies or strategies that were reported over 2015 have involved consultation with social partners, or were implemented in collaboration with them. The importance of social dialogue in co-determining working environments and working conditions cannot be stressed enough. In 2015, collective agreements and social dialogue played a crucial role in a number of countries, in substituting deregulation, in completing intervention gaps between different economic activities and in playing a complementary role to existing governmental structures. The increasing awareness and focus on addressing psychosocial risks at work is visible in OSH-related initiatives, yet only very few Member States have passed new regulations to address them.

These developments reflect Member States' capacity to find effective and efficient policies to improve working conditions and the well-being of workers, and to respond to today's challenges and to those of the future.

Read more from EurWORK on health and well-being at work.

Eurofound publications 2015:

[First findings: Sixth European Working Conditions Survey – Résumé](#)

[Improving working conditions in occupations with multiple disadvantages](#)

[Convergence and divergence of job quality in Europe 1995–2010](#)

[Sustainable work over the life course: Concept paper](#)

Eurofound and EU-OSHA (2014):

[Psychosocial risks in Europe: Prevalence and strategies for prevention](#)

9. Equality and equal opportunities

The focus on equality and equal opportunities has gradually increased, both in the EU and its Member States, for several reasons. The EU has committed itself to fundamental rights, as set out in the [Charter of Fundamental Rights of the European Union \(PDF\)](#), [The Council Directive 2000/78/EC](#). Due to the declining share of working age population in Europe (European Commission, 2015), which will have major implications for the EU's economic growth potential in the long run, the EU and its Member States are challenged to effectively make use of their labour potential. For this, the [Europe 2020 strategy \(PDF\)](#) for smart, sustainable and inclusive growth has set a target that encompasses increasing employment by involving inactive groups of the society, especially women and older workers, into the labour market, and by reducing structural unemployment and poverty. Therefore, equality and equal opportunities are and will remain important cornerstones of EU law and policymaking.

Developments at EU level

Recent EU level studies on inequalities and discrimination show that equality and equal treatment remain challenges in the EU. For example, a study on wage and income inequality in the EU (European Parliament, 2015) revealed that inequality increased from 2006 to 2011 in two-thirds of EU Member States. The Eurobarometer survey, '[Discrimination in the EU in 2015](#)' shows that although there have been increasingly tolerant attitudes towards groups at risk of discrimination, it remains a problem in European societies as about 21% of the respondents of the survey had experienced harassment in the previous 12 months. According to the survey the most common grounds of discrimination are age, ethnic origin, disability, gender identity, religion or belief, sexual orientation and gender. The first findings of the [sixth European Working Conditions Survey](#) (Eurofound, 2015e) show that European labour markets are highly gender segregated, with substantial differences between men and women across occupations, sectors, contract types, and with regard to pay, working time and the share of unpaid work. The [Gender Equality Index \(PDF\)](#) by the European Institute of Gender Equality (2015) says that although there were some improvements between 2005 and 2012, it is necessary for the EU to increase its pace to meet the Europe 2020 targets.

In 2015, there were some developments in EU level policies in the field of equality and equal opportunities. Firstly, [additional concrete measures for the 'EU Strategic Framework on Health and Safety at Work 2014–2020'](#) regarding gender equality were proposed by the Committee on Women's Rights and Gender Equality. The measures related mainly to balancing work and private life, promoting the participation of women in the making of policy decisions and equal rights and equal treatment for women at the workplace, taking into account the specific needs of women in implementation of better working conditions. Secondly, based on the survey '[An Equinet perspective: The Persistence of Discrimination, Harassment and Inequality for Women](#)' (2015), which reviewed the European Commission's Strategy for Equality between Women and Men 2010–2015, the 'Strategic engagement for gender equality 2016–2019' by the European Commission has set the goals for the EU to continue its work in promoting equality between men and women in;

- increasing female labour market participation and the equal economic independence of women and men;
- reducing the gender pay gap, earnings and pension gaps and thus fighting poverty among women;
- promoting equality between women and men in decision-making;
- combating gender-based violence and protecting and supporting victims;
- promoting gender equality and women's rights across the world.

Regarding the under-representation of women on company boards, in 2012 the European Commission proposed a directive to improve the gender balance in boardrooms (COM (2012) 614 final). It set a quantitative objective of 40% for whichever sex is under-represented on the boards of listed companies by 2020 (by 2018 in the case of public undertakings). In 2015, the Council of the European Union took note of a [progress report \(PDF\)](#) on the Directive. Discussions in the relevant working party of the Council have confirmed Member States' broad consensus on the need to improve the gender balance on company boards. However, while many Member States support EU-wide legislation, others continue to prefer national measures (or non-binding measures at EU level). Thus, the Council note concludes that further work and political reflection will be required before a compromise can be reached. By contrast, the European Parliament has strongly supported legislative action in this area, advocating binding quotas to improve the gender balance in boardrooms.

Finally, in reconciliation of work and family life, the [European Commission has withdrawn the draft Maternity Leave Directive](#), aiming to improve protection for pregnant workers and new parents, to clarify the granting of parental leave, and to improve work–life balance. There were no major EU-level policy developments in the fields of age, ethnic origin, disability, gender identity, religion or sexual orientation. However, the European Commission has released documents for promoting diversity and equality of lesbian, gay, bisexual, transgender and intersex (LGBTI) citizens, such as '[List of actions by the Commission to advance LGBTI equality \(PDF\)](#)' and '[Practical guide to launch and implement a Diversity Charter \(PDF\)](#)'.

National developments

The results of the Eurobarometer survey are upheld by numerous national reports and studies published in 2015. In many countries, studies and reports were published on the topic of gender inequality, mainly revealing concerns with high vertical and horizontal gender segregation in the labour market, discrimination related to maternity and pregnancy, and gender pay gap. In addition, studies in the Czech Republic, Estonia, Finland and Ireland also reported discrimination on the basis of nationality or ethnic origin. Reports in Belgium, the Czech Republic and Malta revealed discrimination on the grounds of age, and in Spain, Estonia and the UK, reports revealed discrimination on the grounds of disability.

Legislation to promote equality

Several countries endorsed new bills, drafts of bills, charters, resolutions or amendments of laws. Again, most of them were focused on equality between men and women, in particular on battling the gender pay gap (see Table 16). During 2015, this included mainly three different types of actions:

- general equality related laws, resolutions or programmes;
- the introduction or re-enforcement of existing quota schemes;
- monitoring (pay) equality, in particular via company-level equality plans.

Table 16: Legislative measures to promote equality

General equality related laws, resolutions or programmes
<p>The Slovenian government endorsed the Resolution on the National Programme for Equal Opportunities for Women and Men 2015–2020, which aimed to close the gender gap in business and to quash stereotypes that affect the balancing of work and family by 2020. A similar programme was initiated by the Lithuanian government.</p> <p>In Romania, amendments were drafted for the law on Equal Opportunities for Women and Men to re-establish the National Agency for Equal Opportunities for Women and Men, aiming to promote equality between men and women and to ensure the integration, implementation and enforcement of this principle in all policies and national programmes.</p>

Luxembourg also adopted a plan for equality between women and men for 2015–2018 and made amendments to the Labour Code accordingly.

Introducing or re-enforcing quota or preferential treatment measures to promote equality

The **German** Bundestag passed a bill for a statutory 30% female quota for new members of supervisory boards affecting 108 market-listed firms that are also subject to codetermination, starting in 2016. Furthermore, 3,500 medium-sized firms are obliged to develop their own targets for the share of women in executive boards, supervisory boards and the two highest management levels until September 2015. This flexible quota also applies to every management level of federal public service. The opposition abstained from voting; while they essentially agree with a female quota, they felt the bill was not far-reaching enough.

In **Slovenia**, in March 2015, two parliamentary bodies, the Commission for Petitions, Human Rights and Equal Opportunities and the Committee on Labour, Family, Social Policy and Disability, called on the relevant Ministry to draw up a legislative basis for the introduction of quotas for the under-represented gender (women) for the management and supervisory boards of companies by the end of the year.

In **Croatia**, an Amendment to the Act on Professional Rehabilitation and Employment of Persons with Disability (OG 152/14) introduced, among others, procedural provisions on the right of persons with disabilities to preferential employment. This amendment extends the right to preferential employment to those people with a disability whose pre-existing right to preferential employment has been violated.

In **the Netherlands**, on 31 March 2015, a majority of the Upper House of parliament supported the bill on labour participation and quota for people with a disability. In the 2013 Social Pact, the social partners agreed to create 125,000 jobs for people that are not able to earn the minimum wage (in practice, disabled employees), with 2026 as deadline. At the end of 2016 the pact will be evaluated. If the goals have not been reached, employers will face the possibility of a fine (€5,000 per case).

In **Spain**, on 2 October 2015 a modification was introduced in the Law of the Legal Regime of the Public Sector and the Law for Public Tendering. This reform prevents public administrations from (sub)contracting companies with 50 or more workers that do not fulfil the legally established minimum quota concerning the number of workers with a disability.

Monitoring (pay) equality, in particular via company-level equality plans

In **Germany**, a draft of a bill aimed at battling the gender pay gap was introduced, providing more transparency with regard to wages in female and male dominated occupations. In **Finland**, amendments were made to the Act of Equality between Women and Men: any employer engaging 30 people or more must draw up an equality plan at least every 2 years. The **Estonian** government **set out plans** at the end of 2015 to authorise the Labour Inspectorate to conduct surveillance over gender pay gap in enterprises; this will require an amendment to the Gender Equality Act. The director of the Labour Inspectorate emphasised the importance of social partners in elaborating measures to prevent and decrease gender-based problems such as the gender pay gap. **Denmark**, by contrast, **relaxed previous legislation** regarding the requirement to keep gender-specific wage statistics: a new bill now exempts small workplaces with less than 35 employees from the demands of gender-specific information in their wage statistics reports. The new rules are expected to be enforced from February 2016. The former Social Democratic led government had introduced 10 employees as the minimum for the duty to provide information gender-specific wage information.

Collective bargaining and social dialogue to address equality issues

Collective bargaining and social dialogue can also address equality. During 2015, three interesting examples were reported in this regard.

The **European Works Council at Suez Environment** signed a **transnational agreement** on gender equality involving management of Suez Environment, trade union representatives from 11 Member States and from two European trade union federations. The agreement foresees that all group companies with over 150 employees establish a summary of actions to promote gender equality and include topics covered in the agreement, such as sexual harassment.

In **Sweden**, the government assigned the National Mediation Office (*Medlingsinstitutet*) an additional task to its mission to monitor gender equality. The government's **letter of regulation for the year 2015** states that the National Mediation Office shall analyse how the central collective agreements have been constructed to facilitate the local social partners' work with wage issues from a gender perspective and to investigate if the central collective agreements' construction have had any effects in decreasing wage differentials between men and women (**government web page**). Addressing the gender pay gap in general was a very important topic in the context of Swedish social dialogue and collective bargaining during 2015. Disagreement over how best to address it eventually even led to the unions bargaining separately in the wage negotiation rounds (see chapter 4 on collective employment relations.)

In **Greece**, the national social partners (GSEE, SEV, GSEVEE, ESEE and SETE) were running joint nationwide actions on 4 March 2015 to promote equality and combat prohibited workplace discrimination. These joint actions represent a commitment by the parties to the 2014 National General Collective Employment Agreement, highlighting its critical regulatory role and its connection with society. These joint actions seek to emphasise the value of social dialogue in raising awareness in the workplace about gender equality, diversity and today's multiracial and interdependent society, signalling the need to build a culture of respect for human rights and the importance of timely and effective confrontation of racism and xenophobia in the workplace. The initiatives are part of the Joint Action Plan of the National Social Partners, with the participation of the ILO, 'to restore confidence and strengthen their effective participation in the social dialogue', a project implemented in the framework of the operational programme, 'Human Resources Development 2007–2013'.

Initiatives and projects

In 2015, a number of national-level initiatives and projects promoting equality and equal opportunities were started. This included a wide range of projects and initiatives concerning gender equality:

- equal Pay Days in **several countries**;
- a mentoring and leadership programme aimed at increasing the number of women at the higher levels of the civil service in **Ireland**;
- a project by the Ministry of Social Affairs for finding new innovative ideas on how to solve problems of gender inequality in work life in **Estonia**, with the three best ideas to be implemented with the support of European Social Fund;
- introducing a handbook for reducing gender segregation in the labour market for the use of the public employment service in **Finland**;
- an initiative by the National Commission for the Promotion of Equality to award equality marks to companies and organisations that have made gender equality one of their values in **Malta**;
- a similar initiative in **Cyprus** by the Department of Labour Relations, which certifies companies under the 'Employer Equality' scheme if they apply an integrated system to promote gender equality in the workplace.

Disputes regarding religion at work

In **France**, a dispute over a French IT worker being dismissed **for refusing to take off her hijab** has been referred to the EU Court of Justice. The woman had been asked to remove the headscarf after one of her employer's customers said it made staff uncomfortable. The CJEU must decide whether a customer's wishes constitute 'a genuine and determining occupational requirement'.

In **Malta**, the union of teachers (MUT) expressed its disapproval of the new principles being proposed by the Church Schools Committee (CSC) about the recruitment and promotion of heads of church-run schools. According to these principles, heads of church-run schools must live in conformity with the church's teachings and be practising Catholics. The MUT argued that this policy would discriminate against those who were separated or divorced, as well as gay people.

In addition to gender equality projects, initiatives or debates that include other groups were also initiated.

- The peak-level employer and employee organisations in **Finland** updated their common checklist for equality planning at workplaces for giving guidance to employers in their practical work with equality planning.
- In the **UK**, guidelines for fair recruitment and a 'name blind recruitment' campaign were carried out; and the Trade Union Congress announced the Black Activists Mentoring Scheme, in which it committed itself to ensuring that **black workers are represented** at all levels (lay and full time) of the union movement.
- An instrument for measuring the labour market situation of people with foreign origin was developed in **Belgium**.
- In the **Czech Republic**, a project was carried out on promoting equal opportunities for men and women aged 45 years and over.
- **Austria** introduced a bonus-penalty based quota system for companies to employ a sector-specific minimum share of older workers (for further detail on this, see chapter 4 on collective employment relations).
- In **Estonia** and **Croatia**, new initiatives focused on accessibility and employment for people with disabilities.

Summary

Several reports and studies published in 2015 have confirmed that in order to reach the Europe 2020 target of increasing employment rates among those aged 20–64-year-olds to 75%, it is necessary to focus more on the issues of equality and equal opportunities, especially on engaging more women in the labour market and on facilitating equal opportunities for men and women in Europe. Although some improvements have already occurred and discrimination based on gender is much less common than discrimination on the grounds of ethnicity, disability or sexual orientation, gender-segregated labour markets, gender pay gap and unequal share of unpaid work between men and women remain as issues of concern within the Member States.

At EU level, the Council is still reflecting on whether the 2012 directive on women representation in stock-listed company board rooms (COM (2012) 614 final), which foresees a quota of 40%, will be passed. While it has received broad support from Member States and the European Parliament, some Member States are more in favour of national legislation and stress the subsidiarity principle.

Legislative measures advanced during 2015 at national level included general equality related laws, resolutions or programmes (Lithuania, Luxembourg, Romania and Slovenia); the introduction or re-enforcement of existing quota schemes (for example, in Germany a statutory 30% female quota for new members of supervisory boards affecting 108 market-listed companies was passed); or the monitoring of (pay) equality, in particular via company-

level equality plans (Estonia, Finland and Germany strengthened or enforced existing legislation, while in Denmark the existing legislation was relaxed and now excludes smaller companies).

Equality was also addressed in collective bargaining in Sweden, where the National Mediation Office received a new mandate to monitor gender equality and to analyse how central collective agreements address gender equality. It was also addressed in a transnational agreement in Suez Environment.

In 2015, the bulk of EU developments, and hence national level studies, policymaking, initiatives and discussions in the field of equality and equal opportunities, focused on tackling gender inequalities. Other forms of discrimination received much less attention; for example, there were no developments reported about combating discrimination on the grounds of sexual orientation or religion.

Read more from EurWORK on equality and equal opportunities.

Eurofound publications:

[Promoting uptake of parental and paternity leave among fathers in the European Union](#)
[Social partners and gender equality in Europe](#)

EurWORK topical update:

[Working life experiences of LGBT people and initiatives to tackle discrimination](#)

10. Work organisation and workplace innovation

Work organisation can be defined as the way in which work is planned, organised and managed. Work organisation underpins economic and business development and has important consequences for productivity, innovation and working conditions. Workplace innovation (WPI) is a wider concept, encompassing work organisation, structure and systems within a company, as well as issues such as competence development, and employee participation and involvement.

As stated by the European Commission's DG Enterprise and Industry (now DG GROW), **workplace innovation** can mean many things, such as a change in business structure, human resources management, relationships with clients and suppliers, or in the work environment itself. WPI improves motivation and working conditions for employees, which leads to increased labour productivity, innovation capability, market resilience, and overall business competitiveness. WPI is not only about content, it is also a process – a social and participatory process that shapes work organisation and working life, combining human, organisational and technological dimensions. This participatory process simultaneously results in improved organisational performance and enhanced quality of working life (Howaldt et al, 2016).

Developments at EU level

During the last few years, growing attention is being paid to WPI at policy level. The **industrial policy adopted by the European Commission** explicitly mentions WPI and states that 'the Commission will promote the transformation of workplaces that stimulate new forms of "active jobs" and encourage the development of new skills, including e-skills' (European Commission, 2012). Promoting certain forms of work organisation and WPI may contribute to attaining the objectives set by the **Europe 2020 strategy** and in the European Commission's '**New skills for new jobs**' initiative, including the promotion of workplace well-being.

These objectives aim to move Europe towards a knowledge-based economy, centred on a skilled workforce and innovation – not only in products and processes, but also in the organisation of work and quality of work standards. In light of the Europe 2020 strategy, the European Commission views WPI as a motor for innovation and competitiveness, and as a way to transform workplaces to make better use of human talents and skills. As mentioned in the Commission's 2015 publication on employment and social developments in Europe 2014, there is room to complement technological innovation further with workplace innovation. One important tool to widen the concept of WPI is the so-called **European Workplace Innovation Network (EUWIN)**, established in 2013 by the European Commission's DG Enterprise and Industry as a learning network tasked with stimulating WPI across Europe.

Work organisation

In 2015, Eurofound published a research study on nine forms of employment that are new or have become increasingly important in Europe since 2000, studying the effects of these new forms of employment in different elements including work organisation and work patterns (Eurofound, 2015g).

A good example of this is ICT-based mobile work, whereby workers can work digitally anywhere and everywhere due to the availability of all kinds of mobile technologies and communications media and the internet connectivity these devices bring. The research shows that employers use ICT-based mobile work as a means to increase flexibility in work organisation and to introduce innovative work practices. This flexibility requires more self-

organisation and self-management and the potential availability of the whole work team at all times, which results in less hierarchical, more heterogeneous work organisation processes, as well as more individually tailored working arrangements and employment relationships.

Homework and telework practices

Homework and telework continue to receive a lot of attention in the different European Member States. A number of interesting pieces of national research were published in 2015 on these practices.

- In **Belgium**, a **report by the Research Centre WSE (Work and Social Economy)** showed that the proportion of people working from home grew from 6.5% in 1993, to 12.2% in 2003, and to 14.4% in 2013. The growth in the proportion of those employees who only ‘occasionally’ worked at the company’s premises (less than 50% of working time) was found to be particularly high.
- The **Czech** Statistical Office (CZSO) conducted an analysis of **a national survey on using ICT in business sector**. It found that one-third of companies declared that they give their employees the option of working from home (CZSO, 2015). However, **another survey** found that 15% of employees can work from home and that 20% of the population would like to have this option, at least from time to time, but the main barrier they faced was reluctance of managers.
- **A survey** conducted by BITKOM (the **German** Federal Association for Information Technology, Telecommunications and New Media) of 1,500 general and personnel managers, indicated that 24% of companies expect that working at the office will become less important in the future, and 30% anticipated that the ‘home office’ will gain importance.
- In **Spain**, only 7.4% of workers do telework (at least on an occasional basis) (Adecco, 2015). According to **an employment satisfaction study**, telework is much less developed in Spain compared to other European countries for a number of reasons, such as the fear of lacking control or commitment or the need to interact with other people.
- Finally, **a recent research study** showed that the number of people who regularly work from home in the **UK** has increased by more than 800,000 since 2005 (TUC, 2015). The Trade Union Congress (TUC) estimated that a further 1.8 million workers would like to work from home.

Regarding social dialogue, 2015 witnessed the development of several new agreements related to telework, mainly at company and sectoral level. Good examples of this emerged in France.

France: Devising a legal framework for teleworking in the public sector

On 26 May 2015, the French government opened a consultation process with unions on the legal **framework of telework (PDF)**, with the aim of presenting a draft decree on telework implementation. The decree would organise teleworking in the three public administrations (central administration, local administration and public hospitals). At company level, the French group Thales (space and defence, 63,000 employees) concluded a group-level agreement on telework, on 26 April 2013, for a two-year trial period. The agreement signed on 24 April 2015 between the management and four representative unions (CFDT, CFE-CGC, CFTC, CGT) extends the telework option from one day per week (since 2013) to two days per week, to preserve a link between teleworkers and on-site employees.

Digitalisation and new forms of work organisation

The European **Digital Single Market Strategy**, adopted in May 2015, aims to open up digital opportunities for people and business and to enhance Europe's position as a world leader in the digital economy. The strategy is made up of **three policy areas**:

- better online access to digital goods and services;
- an environment where digital networks and services can prosper;
- 'digital' as a driver for growth (ensuring that Europe's economy, industry and employment take full advantage of digitalisation).

From a country-level perspective, there has been a notable discussion about how digitalisation and technical innovation might influence work organisation, particularly in **Germany**. In spring, the Federal Research and Education Ministry (BMBF) launched a new funding line for research on 'work in the digital working world', and the Federal Ministry for Labour and Social Affairs (BMAS) released a green paper called 'Working 4.0: Thinking further about work'.

In early June, a meeting between German Chancellor Angela Merkel and Vice Chancellor Sigmar Gabriel with social partners stressed the importance of finding a balance between digitalisation and labour protection, as well as identifying improvements in education as a key element in overcoming possible employment threats.

At the beginning of November 2015, the German Trade Union Confederation (DGB) held a 'digitalisation congress'. The **German Confederation of Employers' Associations (BDA)** also highlighted that digital competences and qualified labour was crucial to exploit future opportunities.

The issue of digitalisation is receiving increasing attention in the research literature particularly in relation to its expected impacts on employment. **A recent French report (PDF)** on the 'digital transformation and life at work' highlights the effects of digital transformation at the workplace. It offers 36 recommendations for adapting the workplace to these changes, with a focus on professional training and adjusting the Labour Code and other labour laws to the new forms of employment (Mettling, 2015). In **Germany, a research study conducted by the Cologne Institute for Economic Research (IW)**, highlighted that digital processes will not necessarily make workers redundant, with the exception of low-skilled workers (IW, 2015). Upskilling and retraining to adapt workers to new technologies and digitisation processes will be the main challenge for the future.

Workplace innovation

Eurofound recently published a wide-ranging study of workplace innovation in European companies (Eurofound, 2015h). In this study, WPI is defined as a practice or combination of practices that either structurally (through division of labour) or culturally (in terms of empowerment of staff) enable employees to participate in organisational change and renewal and hence improve the quality of working life and organisational performance. The report examines the motives behind the adoption of WPI and describes its implementation across companies in Europe from the perspective of the main players involved within enterprises (management, employees and employee representatives) in 51 companies across 10 Member States. These companies were selected from those that took part in Eurofound's **Third European Company Survey** and showed a high level of implementation of WPI practices. The report concludes with suggestions about what policymakers can do to stimulate WPI within European enterprises.

Using qualitative comparative analysis (QCA), the study identifies different WPI innovation practices, as well as the motives for their introduction, the process of implementation, impacts and, finally, the paths that companies take to realise WPI. The study identifies several WPI-related practices present in enterprises, such as job, task and organisation redesign measures that enhance the autonomy of employees (such as teamwork, job design, organisational restructuring). It also identifies dialogue and participatory/communication measures that

enhance the engagement of employees and employee representatives – knowledge sharing, employee participation, employee–manager dialogue and management–employee representation dialogue. It showed that the same companies were also involved in other more traditional HR practices such as personnel recruitment, training, competency development, performance appraisal, working conditions, remuneration, flexibility and health, risk and safety measures. Most companies in the study combine different practices in order to improve efficiency, gain competitive advantage and enhance innovative capability, while at the same time improving the quality of work.

Eurofound (2015h) also identifies five different ‘deliberate’ model strategies used by case study enterprises in order to arrive at a substantial level of WPI practices. In each of them, employees play a significant role. These five paths are outlined in Table 17.

Table 17: Deliberate strategies for workplace innovation

Implicit strategies for WPI	Explanation
Path 1 – Top-guided WPI	WPI initiatives come from top management, although these top-guided initiatives are accompanied by participatory implementation and support from employees.
Path 2 – Autonomy-driven WPI	Present in companies that use their organisational autonomy to develop WPI practices that ensure their future existence, rather than pursuing best quality of performance or quality of working life. Considerable autonomy for employees and space to participate, although management takes the initiative.
Path 3 – Integral WPI	WPI initiated bottom-up, providing employees with possibilities for innovative behaviour. Participation by employees right from the start. The organisation has decision latitude to make its own choices and has a preference for limiting the division of labour.
Path 4 – Employee-driven WPI	WPI initiated bottom-up and implemented in a participatory manner. The organisation has decision latitude to make its own choices, although gives employees the chance to participate in the organisational model.
Path 5 – Innovative behavioural-driven WPI	Preference for limiting the division of labour and for enabling employees to perform innovative behaviour. However, employees do not play a role in developing the organisation’s model.

Source: Eurofound, Third European Company Survey: Workplace innovation in European companies, Dublin, 2015.

The reasons for introducing WPI practices are mainly related to enhancing efficiency, gaining competitiveness advantage and improving innovative capabilities (economic-oriented motives), where all these reasons are shared by employers, employees and employee representatives. However, sometimes external factors (such as a crisis situation or takeover by another enterprise) also play a big role in these changes. There are three main leverage factors that drive the successful implementation of WPI practices: employee involvement, the commitment of top management, and leadership or the involvement of a powerful person.

Finally, the study identified the main impacts derived from these WPI practices. For the organisation as a whole, employee engagement was the most significant impact of WPI, followed by long-term sustainability, higher performance, better customer or client focus, efficiency and profitability. Employees stressed learning opportunities, having a voice and participation, and challenging and active work as being the biggest impacts. For employee representatives, employee voice, the establishment of good work and more positive

employment relations were also identified as major impacts. The study concludes that WPI outcomes often lead not only to enhanced economic performance but also to a better quality of working life among employees.

At national level, several studies were conducted in 2015 related to the workplace innovation issue. These are some examples.

- The Hellenic Federation of Enterprises (SEV) carried out a study on the [strategies taken by Greek enterprises](#) to develop operational flexibility and organisational innovation. It identified four main categories of business: knowledge intensive; labour intensive; capital intensive; and strong in raw materials.
- A recent **Croatian** study confirms the link between interpersonal trust (horizontal and vertical) and innovativeness. An increase in trust in ability, integrity and benevolence among employees fosters innovative behaviour and innovative strategies and processes (Podrug and Ajduk, 2015).
- The **UK**-based ACAS (Advisory, Conciliation and Arbitration Service) published in July 2015 [a policy discussion paper on WPI and productivity](#) (Acas, 2015). The report indicates a limited spread of workplace innovation practices in the UK, which is explained by several mutually re-enforcing factors such as a tendency to see innovation purely in terms of technology or low levels of awareness of WPI among managers and social partners.

Employee involvement and participation at work

Employee involvement refers to opportunities for employees to take part in decisions that affect their work. [A recent report \(PDF\)](#) by the European Trade Union Institute (ETUI) in collaboration with the British Trade Union Congress (TUC) (ETUI and TUC, 2015) categorises countries in the European Economic Area into three groups, according to the extent and importance of worker representation. Worker representation at board level with decision-making power is present in a total of 19 European countries (18 Member States plus Norway).

- **Group 1:** Thirteen countries with widespread rights to worker representation at board level in both the public and private sector – state-owned, privatised, public limited and private limited companies: Austria, Croatia, Denmark, Finland, France, Germany, Hungary, Luxembourg, the Netherlands, Norway, Slovakia, Slovenia and Sweden.
- **Group 2:** Six countries with limited participation rights, mainly found in state-owned or privatised companies: the Czech Republic, Greece, Ireland, Poland, Portugal and Spain.
- **Group 3:** The 12 remaining countries with very limited rights: Belgium, Bulgaria, Cyprus, Estonia, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Malta, Romania and the UK.

This study shows that worker representation at board level varies significantly by country. Factors include which companies are covered by requirements regarding worker representation at board level; the nomination and election process, and eligibility criteria for worker representatives; and the number or proportion of worker representatives per board.

In 2015, a number of Member States introduced several modifications in the national regulatory frameworks governing the issues of worker participation, information and consultation. In **France**, legislation ([Law of 14 June 2013](#)) allows that, from 2015 onwards, works councils in businesses with fewer than 300 employees may have the right to receive the ‘single database’ – all the information necessary for a works council’s annual consultation on the establishment’s strategic direction and its consequences. In **Germany**, DGB and IG Metall called for an amendment of the Works Constitution with the aim of broadening the rights of the works councils with regard to decisions on outsourcing/contracting, and to workers from subcontracted companies working onsite. In **Italy**, in March 2015, the Senate Labour Committee started a discussion on a new draft law intended to promote the involvement of employees in company supervisory and management boards and profit-

sharing schemes for employees. Examination of the proposal was temporarily suspended in June, when the government suggested the issue should be addressed in autonomous dialogue between social partners, after which the government could intervene with a law once an agreement has been reached.

In July 2015, the parliament in **Luxembourg** discussed and approved the reform of social dialogue within companies in order to strengthen the powers of the staff delegation, a decision that has been **commended by some trade unions**. In the **Netherlands**, the Social and Economic Council published **a revised version of the Merger code**, valid from 1 October 2015, which is intended to extend the obligation to inform and consult the unions in due time in case of a merger or acquisition to the not-for-profit sector and the major part of the public sector. Additionally, in December 2015, a bill was presented to extend the rights of works councils with regard to pension schemes, following earlier advice from the Social and Economic Council.

Summary

During recent years, there has been growing attention paid to work organisation issues, in particular to workplace innovation as a tool that can help to improve enterprise performance while at the same time increasing job quality and worker satisfaction. However, although WPI was part of the European agenda before 2015, innovation policy needs to adopt a broader approach than it has done in the past; to include organisational issues in a more definite way, complementing technological innovation. Innovation requires the involvement of stakeholders at all company levels, so enterprises need to develop a series of practices that allow and promote this involvement through measures such as autonomous working teams, flexible working, fluent management–employee relationships, continuing learning and competence development, and participation and employee initiative. In this context, issues such as homework and telework continued in 2015 to receive a lot of attention in the different European Member States, both from researchers and social partners. Digitalisation and its influence on work organisation has also been the object of interesting debates. Finally, several studies and initiatives have been conducted on WPI, particularly on aspects related to employee involvement and participation.

Read more from EurWORK on work organisation and workplace innovation.

Eurofound publications 2015:

[Third European Company Survey – Workplace innovation in European companies](#)

[Third European Company Survey – Direct and indirect employee participation](#)

EurWORK topical updates:

[Digitalisation and working life: lessons from the Uber cases around Europe](#)

11. Summary and conclusions

More than 80 contributors to Eurofound's network of European correspondents were involved in preparing this synthesis report. Its aim is to provide an overview of the most important developments in industrial relations and working conditions at European and national level during 2015, guiding the reader through a wealth of material provided by Eurofound's correspondents to EurWORK throughout the year. All EurWORK articles and publications are available free of charge at www.eurofound.europa.eu/observatories/eurwork.

Economic and labour market context: A moderate but uneven recovery

The year 2015 brought a moderate recovery of economic growth, with a modest growth in the rate of employment and a decline in the rate of unemployment compared to the previous year. The real GDP per capita for the EU as a whole exceeded its pre-crisis value for the first time. But the recovery has been uneven: across Member States as well as for different group of workers. While Ireland, the Baltic states and other central and eastern European countries (such as the Czech Republic, Hungary, Poland and Slovakia) have recovered or performed well in terms of economic growth and reduction of unemployment rates, the recovery was slower in some of the EU15 countries, including Austria, Belgium, Finland and Italy, as well as in Norway. Unemployment rates remain very high in Croatia, Cyprus, Greece, Italy, Portugal and Spain; with the exception of Spain, rates still far exceed these countries' 2010 levels.

According to the European labour force surveys, in 2015, 215.6 million Europeans were in employment – a recovery since the low of 2009, but still falling short of the peak of 218.9 million in 2008. This recovery in employment was mainly driven by part-time jobs. The number of those in full-time jobs has only recovered modestly in the past two years. Male and low-qualified workers were most affected by the medium term decrease in employment. In contrast to full-time employment, part-time work has risen over recent years – slightly for women, more so for men – and to a high degree for high-qualified workers. This was accompanied by a consistent increase in involuntary part-time employment – most significantly in many of the countries that were strongly affected by the economic crisis. Europeans on average 'usually' worked 37.1 hours per week in 2015, slightly down from 37.8 hours in 2008. The sixth European Working Conditions Survey (Eurofound, 2015e) found that the majority of the workforce (58%) was satisfied with working time for their main job. Taking into account their own economic needs, another 28% reported they would like to decrease their hours, while 14% said they would prefer to increase them (see Eurofound, 2015e, p. 4). Working hours tend to be shortest in countries where they are negotiated and longest where they are set unilaterally by employers or by law.

Pay developments were generally favourable in 2015, with considerable growth in statutory minimum wage levels, especially in low-pay countries. High-pay countries experienced a more limited growth of the minimum wage. In terms of nominal actual wages and salaries, only a small convergence was observed between the low-pay and high-pay EU countries since the onset of the economic crisis in 2008.

The countries with the most growth in nominal hourly wages during 2008 and 2015 were Bulgaria, Estonia and Slovakia; Cyprus and Greece were the only two countries that observed a decrease since 2008. During 2015, collectively agreed pay in real terms surpassed the pre-crisis pay level in the majority of countries with available data (9 out of 12).

This EurWORK annual review for 2015 looked into the regulation of employment relationships against this backdrop of economic and labour market developments.

New impetus for social dialogue and the social dimension of the EU

The year 2015 was the first full year of work for the new European Parliament, and the new Commission. During that year, the implementation of the investment package, the Youth Guarantee and the frontloading of the Youth Employment Initiative to tackle youth unemployment were in full swing. The (not-so-new) idea to strengthen the social dimension of the EU, the euro zone and the European Semester gained some further political and institutional backing during 2015: the ‘Five President’s report’ sets out the ambition to ‘strive for a social triple A’. The Juncker Commission committed itself to a relaunch of social dialogue at EU level and has started to involve social partners more closely in the European Semester. Social partners appreciate this, though they claim that there is room for improvement.

Working life deregulation (or re-regulation) has been ongoing as part of the European Commission’s REFIT programme through, for example, the proposal to consolidate legislation on information and consultations, and to clarify and simplify legislation in working time and in health and safety (and related areas). The Commission’s withdrawal of the ‘maternity leave directive’ also took place during 2015 in the context of REFIT.

Towards a stabilisation of social dialogue

Patchy national data on trade union membership and density suggest a decline in a few Member States (Lithuania, the Netherlands, Romania and Spain), stability in Estonia and the UK, a substantially slowing down in Austria and Germany and positive developments in Finland, Ireland, Poland and Sweden. In some of these countries, public sector and/or white collar unions were more likely to gain members – not least in the context of austerity measures or other actions impacting working conditions for public sector employees. In the UK, several provisions of the Trade Union Bill, devised during 2015, were heavily criticised and provoked resistance from trade unions. The Act represents a renewed tightening of statutory regulation of union activities and key elements of the legislation target trade unions in the public sector, where union membership has remained relatively resilient.

Hardly any data are available on employer organisations. However, studies and reports conducted since 2010 point out that membership in employer organisations has been largely stable. It has also been shown that social partners in some countries are opening up to the ‘digital’ economy or are starting to enter in dialogue with relevant companies.

Greater support for collective bargaining

During the first half of 2015, there were some signs of a potential trend reversal in collective bargaining. A number of major collective agreements at national, sectoral and cross-sectoral level were renewed, renegotiated, or had come under discussion, in particular in countries that had been hit hardest by the crisis and/or in which collective bargaining had been most affected. However, not all changes were implemented. Further evidence of the ongoing trend to decentralise bargaining came from several countries (such as Greece and Romania). This can result in the marginalisation of social partners.

Collective bargaining under strain due to slow recovery

The year brought major tensions in collective bargaining and social dialogue in a number of Member States that are usually characterised by relatively stable and consensus-oriented industrial relations (such as Austria, Belgium, Finland, Norway and Sweden). With the exception of Sweden, all of these debates took place in the context of a slow recovery, with persistently high or growing unemployment and as reaction to a loss in competitiveness. In several of these countries (and others) bipartite or tripartite debates about working time took place; in two of them (Finland and Norway) these debates addressed prolongation of working time.

Collective bargaining gets institutional and regulative support

The year also saw some legislative and institutional support for collective bargaining and social dialogue – in particular in countries where the crisis had exerted the biggest impact on industrial relations. Several fairly minor changes were made as a response to the crisis. For example, in Poland and Romania, changes to the tripartite institutions will enable them to work better and will promote national social dialogue. In Romania, a new law to enhance the importance of trade unions was passed. In Ireland, the long-awaited bill on collective bargaining strengthens collective bargaining rights in firms without trade unions. In Portugal and Spain, court rulings reverted aspects of previous legislation that had constrained collective bargaining.

Debate over labour market reforms after implementation

Economic pressure and tighter coordination at EU level via the European Semester process have increased the focus on labour market reforms, several of which were implemented during 2015. Changes in pension-related legislation was one of the most frequently reported areas across Member States, whereby the general trend has been to legislate towards extension of the retirement age. As shown in EurWORK reports, labour market reforms continue to be the subject of debate years after they have been implemented. Reversal of legislative reform occurs frequently, either in connection with a change in political power or court rulings. The case that gained most media coverage in this regard took place in Greece, where the government, under Prime Minister Alexis Tsipras, attempted to restore many aspects of labour legislation (including collective bargaining and minimum wages), which had been previously introduced by the Troika. However, the conditions of the third Memorandum of Understanding ruled this out as a possibility.

Growing awareness to regulate non-standard forms of employment

In 2015 there was a growing awareness of the problem of non-standard employment, indicated by a number of policy responses, which, while not necessarily obvious ‘improvements’, were manifestations of a political will to curb at least the extent of abuse of atypical work arrangements. Across Member States, there was a high level of diversity in responses to this matter: from the measures to encourage flexibility, to those seeking to combat the abuse of atypical contracts.

The need to correctly identify employment contracts and workers’ rights led Member States to increase control measures for undeclared work, adopt fiscal measures to tackle bogus self-employment or develop stricter regulation of very atypical forms of employment, such as casual work. It would be wrong to see the expansion of atypical forms of employment as a purely ‘zero-sum’ game, where only businesses benefit. It is a phenomenon that has grown to the point of evoking policy response and legal modifications both at EU and national level. At national level, responses vary: in central and eastern European Member States, more restrictive regulations aim to prevent abuse of atypical forms of employment whereas in the other EU countries (such as Denmark and Germany), a more nuanced approach is taken, involving both.

Eventful year in the area of health and well-being at work

The year 2015 was rather eventful, at both EU and Member State level, regarding health and well-being at work. At EU level, different institutions and parties adopted conclusions and opinions on the recent EU strategic initiative (EU Occupational Safety and Health Strategic Framework 2014–2020) adopted by the Commission in 2014 and on the review of EU-OSH legislation and other planned policy measures within REFIT. A number of Member States have been discussing national health and well-being at work strategies in consultation with social partners, partly in response to the Commission’s call to review national strategies taking into account the new EU strategic framework, and partly in response to national contingencies and requirements. One major example of re-regulation took place in France,

where the government obliged all employers to report on and pay a contribution for exposure of employees to arduous working conditions – night work, work in constantly changing teams, repetitive tasks, and work in an environment with high levels of physical pressure. Another example can be found in the debates in the UK around whether or not self-employed workers should be excluded from OSH legislation; in the end, this proposal was not passed, as a result of social dialogue.

Psychological risks at work: Policy attention but little legislative support

The issue of psychological risks and psychosocial health is a frequently reported work-related health and well-being concern. According to the European Working Conditions Survey, in 2015, 27% of workers said they experience work-related stress for all or most of their working time, and a similar proportion reported that work affects their health negatively. Information and consultation activities to raise awareness of psychological risks and risk management at the workplace have been reported in many countries. While there is a lot of research on this topic and a good level of awareness, psychological risks and stress are rarely addressed by legislation. In France, a law was introduced that recognises burn-out and other psychological diseases as occupational diseases. In Sweden, the Working Environment authority issued a new regulation, which among other things, incorporates provisions on workload, working time, and victimisation at work.

Work organisation and workplace innovation

During recent years, growing attention has been paid at EU level to work organisation issues and particularly to workplace innovation as a tool that can help to improve enterprise performance while at the same time increasing job quality and worker satisfaction. However, even if workplace innovation is already part of the European agenda, innovation policy still needs to adopt a broader approach than it has done in the past, including organisational issues in a more definite way, complementing technological innovation. Innovation requires the involvement of stakeholders at all company levels; for this, enterprises need to develop a series of practices that allow and promote this involvement, such as autonomous working teams, flexible working, fluent management–employee relationships, continuing learning and competence development and employee participation.

Conclusions

The year 2015 can be deemed an important step forward in working life regulation at European level. The social dimension of the EU has, perhaps, gained new momentum. A stronger coordination of labour market policies across Member States is in the process of being developed. Social partners are becoming increasingly involved at EU level and further efforts are being made to encourage national-level social dialogue and social partner's involvement. While these developments have not yet met with the full approval of all concerned, they are positive developments for social dialogue and social partners.

At national level, both the climate for and actions taken regarding industrial relations and social dialogue seem to have closely reflected economic developments: where recovery has been slow, more government interventions were made, tensions grew between the different stakeholders and demands were made to moderate pay and increase working time – and increase flexibility on both counts. During 2015, this description mainly applied to countries that were hitherto characterised by very consensus-oriented industrial relations. However, 2015 also saw legislative and court-based rulings that supported collective bargaining, and a return to social dialogue in countries where industrial relations had recently been under severe strain. This does not necessarily mean that the crisis of social dialogue is over in these countries, at least not yet, but it may suggest that a turning point has been reached. The impact of the renewed EU-level focus on relaunching the social dialogue will exert on the Member States is yet to be seen.

European policy coordination probably gained greater influence in 2015 via the European Semester process and the REFIT programme. One possible sign that European policies are having an impact at national level is the growing awareness of and policy responses around monitoring or re-regulating of non-standard forms of employment, to both limit their abuse and to take advantage of the opportunities they present. What a ‘revamped flexicurity’, as proposed by the Five Presidents report, will add to this, remains to be seen. Regarding the area of health and well-being, an EU influence on national reviews of legislation and strategies was very visible during 2015. Alongside these developments, the EU has continued to enter into hitherto national spheres. The country-specific recommendations and their potential influence on wage setting are the most prominent examples in this regard. It remains to be seen what further impact this ‘silent revolution from above’ (Erne, 2015) will have on national level social dialogue.

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Annex 1: Additional data

Table A1: List of organisation acronyms

Country	Acronym	Full name	English translation
Croatia	SING	Sindikát naftnog gospodarstva	Union of Oil Industry
	EKN	Samostalni sindikat energetike, kemije i nemetala Hrvatske	Autonomous Trade Union of Energy, Chemistry and Non-Metal Industry of Croatia
Denmark	FTF	FTF	The Confederation of Professionals in Denmark
	LO	Landsorganisationen i Danmark	The Danish Confederation of Trade Unions
Estonia	EÕL	Eesti Õdede Liit	Estonian Nurses Union
	EAKL	Eesti Ametiühingute Keskliit	Estonian Trade Union Confederation
Finland	SAK	Suomen Ammattiliittojen Keskusjärjestö	Central Organisation of Finnish Trade Unions
	STTK	Toimihenkilökeskusjärjestö	Finnish Confederation of Professionals
France	UNSA	Union nationale des syndicats autonomes	National Union of Independent trade unions
	SCP-VTC	Trade union of private taxi drivers	Union of private taxi drivers
Hungary	MaSZSZ	Magyar Szakszervezeti Szövetség	Hungarian Trade Union Confederation
	SZEF	Szakszervezetek Együttműködési Fóruma	Forum for the Co-operation of Trade Unions
Italy	DirCredito	Associazione Sindacale del Settore Credito	Credit sector trade association
	FIBA	Federazione Italiana Bancari e Assicurativi	Italian bank and insurance federation
Norway	NHO Mat og Drikke	NHO Mat og Drikke	FoodDrinkNorway
Portugal	SNPVAC	Sindicato Nacional do Pessoal de Voo da Aviação Civil	The National Union of Civil Aviation personnel
	UGT	União Geral dos Trabalhadores	General Union of Workers

Slovakia	OZ SP	Not available	Slovak Trade Union Association of the Glass Industry
	OZ Kovo	Odborový Zväz Kovo	Metal Trade Union Association
Slovenia	ZSSS	Zveza svobodnih sindikatov Slovenije	The Association of free trade unions of Slovenia
	SKEI	Sindikrat Kovinske in elektro industrije Slovenije	Trade Union of Metal and Electro Industry
	SVIZ	Sindikrat vzgoje, izobraževanja, znanosti in kulture Slovenije	Education, Science and Culture Trade Union of Slovenia

Table A2: Summary of country-specific recommendations related to working life

Labour supply		
To improve employability/labour market participation of specific groups of workers	Young people	BG, SI, FI, RO, IT, ES, UK
	Older people	AT, BG, FI, SI
	Long-term unemployed	RO, SK, SI, FI
	Women	AT, SK
	General improvement Improve labour market participation, including by implementing the Work Ability Reform: EE	BE, LT, EE
Promote incentives to work and reduce disincentives to work (see also: Unemployment benefits/social assistance)	Strengthen incentives for the unemployed and inactive to take up paid employment	HR
	Targeting the low-paid	EE
	Increase the work-intensity of households and to address the poverty risk of children by tapering the withdrawal of benefits and supplementary payments upon return to employment	IE
	Ensure effective activation of benefit recipients and adequate coverage of the minimum income scheme	PT
	Improve the incentives for women to remain in or return to employment by improving the provision of childcare facilities	SK
	Provide adequate incentives to extend working lives	SI
Support infrastructure to enable participation of parents/women	Increase affordable/ensure high quality childcare	CZ, EE, IE, RO, SK, UK

	Ensure availability of apprenticeships	EE, LV, UK
Regarding the cost of labour		
Labour taxation/social security contributions-related	Reduce the tax wedge/high level of taxation for low-income earners	HU, LV, LT, CZ, DE
	Shift tax burden from labour/ensure that labour costs reductions are sustained	AT, BE, FR
	<ul style="list-style-type: none"> • Establish a transparent mechanism for (...) minimum social security contributions: BG • Reduce high labour taxes and social security contributions, especially for low-wage earners: DE • Reduce the level of contributions to the second pillar of the pension system for those in the early years of working life: NL 	BG, DE, NL
Wage setting/collective bargaining	<ul style="list-style-type: none"> • Wages to evolve in line with productivity 	BE, HR, FI, FR, LU, PT, ES
	<ul style="list-style-type: none"> • Establish transparent mechanism for setting the minimum wage 	BG, RO, SI
	<ul style="list-style-type: none"> • Ensure minimum wage developments are consistent with the objectives of promoting employment and competitiveness 	FR, PT
	Affecting the collective bargaining framework <ul style="list-style-type: none"> • Establish effective framework for second-level contractual bargaining (IT) • Facilitate take up of derogations at company and branch level from general legal provisions, in particular as regards working time arrangements (FR) 	IT, FR
	Improve the public service legislation to (...) link remuneration to responsibilities	LV
	Narrow the gender pay gap	EE
Functioning of the labour market/matching		
Active labour market policies	Revert resources from public work scheme to active labour market measures	HU
	Adopt the legislative decrees on the use of wage supplementation schemes, the revision of contractual arrangements, work-life balance and the strengthening of active labour market policies	IT

	Improve the efficiency of public employment services, in particular by increasing outreach to nonregistered young people	PT
	Strengthen the provision of labour market measures, in particular for unregistered young people and the long-term unemployed and ensure that the national employment agency is adequately staffed	RO
	Take additional measures to address long term unemployment by introducing activation measures, second chance education and high-quality training tailored to individuals' needs	SK
	Take steps to increase the quality and effectiveness of job search assistance and counselling, including as part of tackling youth unemployment	ES
Addressing skills shortages and mismatches	Improve the functioning of the labour market by reducing financial disincentives to work, increasing labour market access for specific target groups and addressing skills shortages and mismatches	BE
	Address skills mismatches by increasing employers' engagement in the delivery of apprenticeships	UK
Recommendations addressing different kinds of labour contracts	Tackle undeclared work	BG, RO
	To provide more incentives for employers to hire on open-ended contracts	FR
	Remove the restrictions on access to and the exercise of regulated professions	FR
	Take measures to reduce the excessive use of temporary and civil law contracts in the labour market	PL
	Revise fiscal treatment of mini-jobs to facilitate transition to other forms of employment	DE
Education and skills		
Improve educational achievements/participation of disadvantaged groups	Young disadvantaged with low basic skills	AT, UK
	Improve basic skills	MT, LT
	Improve basic skills (in particular for Roma)	BG, CZ, HU, RO, SK
	Implement school/education reforms	IT, LV, CZ
	Reduce early school-leaving	MT, RO
Vocational education and training	Strengthen measures to facilitate the transition between different stages of education and to the labour market	HU

	Expand/improve/increase participation in vocationally-oriented tertiary education	IT, LV, EE
	Improve the labour market relevance of vocational training/education	LT, EE
	Ensure availability of apprenticeships	EE, LV, UK
Social protection		
Unemployment benefits/social assistance	Regarding unemployment benefits: <ul style="list-style-type: none"> Reform unemployment benefit system: FR Improve the adequacy and coverage of social assistance and unemployment benefits: HU, LT 	FR, HU, LT
	Regarding minimum income: <ul style="list-style-type: none"> Introduce the minimum insertion income: PT Streamline minimum income and family support schemes and foster regional mobility: ES 	PT, ES
Pension reforms	Prolonging working life/discourage early retirement	AT, BE, HR, DE, FI, LU, MT
	Harmonise pension age/arrangements between different groups: <ul style="list-style-type: none"> Men and women: AT Farmers and miners (with other workers): PL 	AT, PL
	Improve the adequacy and efficiency of pension spending by tightening the definition of arduous and hazardous professions	HR
	Ensure sustainability of financing over the medium or long term	FR, PT, RO
	Conduct broader reforms of the pension system	LT, SI
Sector-specific recommendations	Retail	FI, DK, HU
	Construction	DK, SE
	Public services/municipal sector	FI, FR, IT, LV
	Service sector, in general: <ul style="list-style-type: none"> Increase competition: DE Increase productivity: DK Remove unjustified entry barriers in the services, including retail sector: HU 	DE, DK, HU
	Transport sectors <ul style="list-style-type: none"> Railways: DE and PL Ports: IT Transport sector: PT 	DE, PL, IT, PT

	Reform of the health care systems	BG, HR, CZ, FI, IE, LV, RO, SK, ES
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Source: European Commission, *Country-specific recommendations 2015*.

Table A3: Real collectively agreed wage change in EU countries with available data (2009–2015)

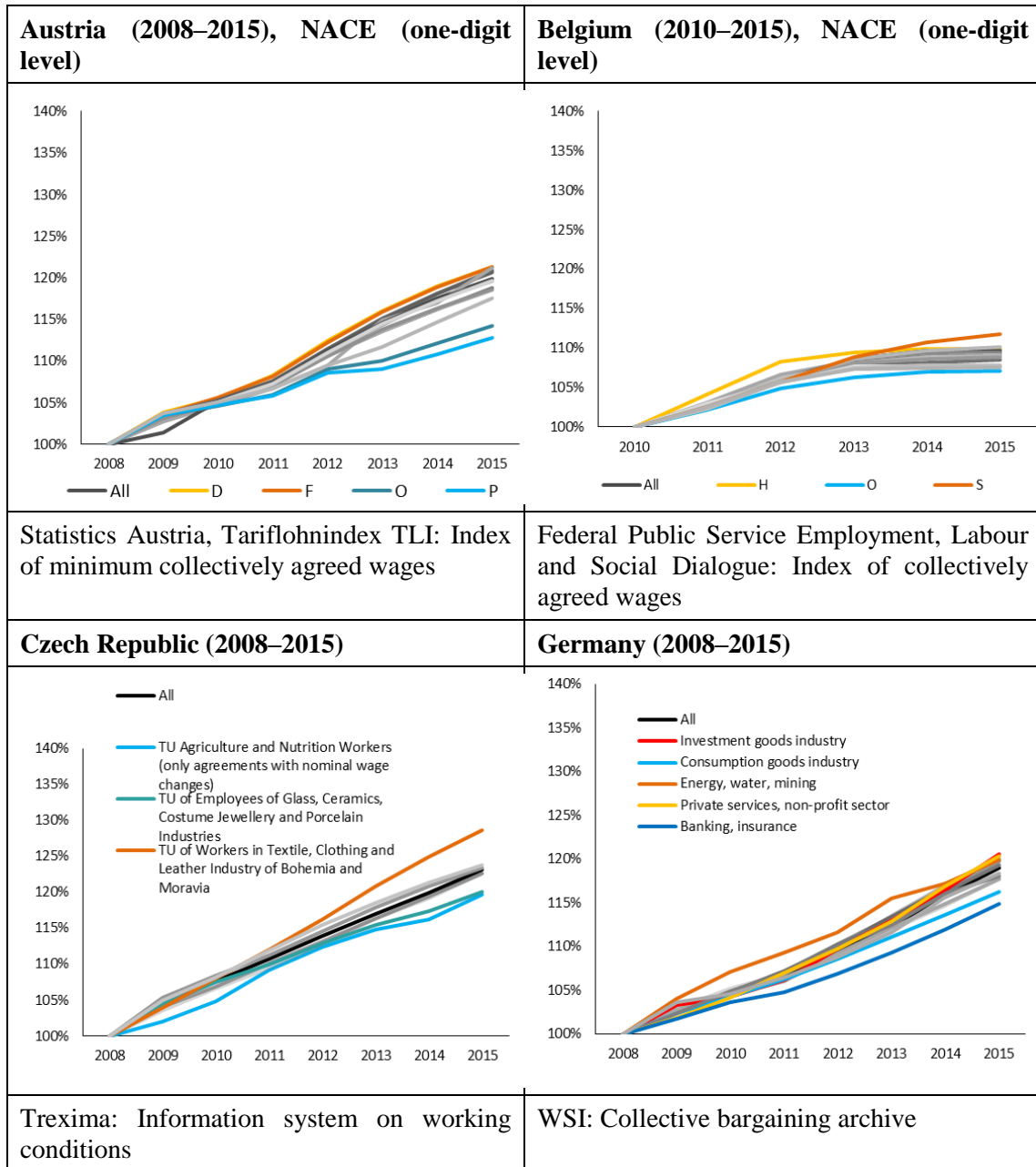
	Source	2009	2010	2011	2012	2013	2014	2015
AT	Statistics Austria, Tariflohnindex TLI	3.0	-0.1	-1.5	0.7	0.5	0.8	1.4
BE	Index of Collectively Agreed Wages	2.6	-1.7	-0.7	0.4	0.7	0.5	-0.5
CZ*	Trexima, Information System on Working Conditions	3.8	1.9	0.7	-0.7	1.4	2.1	2.3
DE	WSI, Collective Bargaining Archive	2.4	0.7	-0.5	0.6	1.1	2.3	2.6
ES	Ministry of Employment: Statistics on collective agreements	2.4	0.2	-0.7	-1.2	-1.0	0.8	1.3
FI	Statistics Finland: Index of negotiated wages and salaries			-1.3	-0.3	-0.8	-0.2	0.5
FR	Ministry of Employment's Office for Research and Statistic: The annual collective bargaining reports				0.4	0.8	0.8	
IT	National Institute of Statistics (Istat), Contractual wages and salaries	0.5	0.4	-1.4	-1.7	0.2	1.0	1.1
MT**	Economic Survey (Ministry for Finance)	0.0	0.5	-2.0	-1.3	0.6	0.8	-0.3
NL	Centraal Bureau voor de Statistiek (CBS, Statistics Netherlands)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PT	Bank of Portugal, Statistical Bulletin, Table H2.8 'Wages: Collective agreements'	3.8	1.0	-2.0	-1.4	0.6	1.2	0.2
SE	National Mediation Office	1.2	0.2	0.4	1.9	1.8	2.0	1.6
SK	Trexima, s.r.o Bratislava and the Ministry of Labour, Social Affairs and Family: Information system on working conditions	4.5	2.8	-0.4	-0.1	2.0	3.3	3.8
UK	Labour Research Department: The Payline database	0.2	-1.5	-2.6	-1.8	-1.6	0.0	3.0

Note: * Only agreements with nominal wage changes agreed.

** Private sector only.

Source: see above. More detailed information on the sources can be found in EurWORK's [collective wage bargaining portal](#).

Figure A1: Collectively agreed nominal wage change per sector (indices with base 100, the starting year varies per country)



<p>Spain (2008–2015), NACE (one-digit level)</p>	<p>Finland (2010–2015), NACE (one-digit level)</p>
<p>Ministry of Employment: Statistics on collective agreements</p>	<p>Statistics Finland: Index of negotiated wages and salaries</p>
<p>France (2011–2014)</p>	<p>Italy (2008–2015), NACE (one-digit level)</p>
<p>Ministry of Employment's Office for Research and Statistics: Annual collective bargaining reports</p>	<p>National Institute of Statistics (<i>Istituto Nazionale di Statistica, Istat</i>): Contractual wages and salaries</p>
<p>Malta (2008–2015)</p>	<p>Netherlands (2011–2014), NACE (one-digit level)</p>
<p>Ministry for Finance: Economic survey</p>	<p>CBS: Statistics Netherlands</p>

<p>Portugal (2008–2015)</p>	<p>Sweden (2008–2015)</p>
<p>Bank of Portugal, Statistical Bulletin: Table H2.8 ‘Wages: Collective agreements’</p>	<p>National Mediation Office</p>
<p>Slovakia (2008–2015), NACE (one-digit level)</p>	<p>United Kingdom (2008–2015)</p>
<p>Trexima, s.r.o Bratislava and the Ministry of Labour, Social Affairs and Family: Information system on working conditions.</p>	<p>Labour Research Department: The Payline database</p>

Note: only sectors with highest and lowest wage change are highlighted. If the sectors in a particular country are described by the NACE codes, see Table A4 for a definition of the abbreviations.

Table A4: NACE code one-digit-abbreviations

NACE (one-digit)	Sector	NACE (one-digit)	Sector
A	Agriculture, forestry and fishing	L	Real estate activities
B	Mining and quarrying	M	Professional, scientific and technical activities
C	Manufacturing	N	Administrative and support service activities
D	Electricity, gas, steam and air conditioning supply	O	Public administration and defence; compulsory social security
E	Water supply; sewerage; waste management and remediation activities	P	Education
F	Construction	R	Arts, entertainment and recreation
H	Transporting and storage	S	Other services activities
I	Accommodation and food service activities	T	Activities of households as employers; undifferentiated goods – and services – producing activities of households for own use
K	Financial and insurance activities		

Developments in Working Life in Europe is part of a series of annual reviews published by Eurofound and provides an overview of the latest developments in industrial relations and working conditions across the European Union and Norway. The Annual Review collates information based on reports from Eurofound's network of European correspondents throughout 2015, complemented by recent research findings, including data from Eurofound's European working conditions survey (EWCS) and Eurofound's company survey (ECS). This review is divided into 10 thematic chapters, each of which provides an overview of the current situation, explores developments at European and national level, and examines particular issues rising from the analysis of the quarterly reporting for EurWORK.

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